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ABSTRACT

This curriculum guide provides a useful framework for an 11-unit competency-based course in consumer education, one of the semester courses required for a Type B vocational consumer and homemaking education program in Missouri. Both unit and specific objectives are provided for each unit. The cross-reference table of instructional materials in each unit presents the teacher with a planning tool. For each competency covered in a unit, the correlated specific objective(s), transparency master(s), handout(s), assignment sheet(s), job sheet(s), and test items are indicated. Each unit also contains these materials: information sheets with a content outline, transparency masters, assignment sheets, answers to assignment sheets, job sheets (with evaluation criteria checklists), a unit test, and answers to test. The unit topics are: making informed choices; managing income; meeting personal grooming and clothing needs; meeting transportation needs; meeting housing needs; furnishing and maintaining a home; arranging for professional services; conserving resources; obtaining financial assistance; planning for the future; and recognizing the citizen's role in our economy. (YLB)

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Consumer Education



Instructor Guide

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CONSUMER EDUCATION

by Joan Quilling
and
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FOREWORD

Contemporary American society faces rapid technological changes and increasing complexity. Individuals and families find themselves in an environment which presents many and varied opportunities as well as challenges. Modern consumers need to understand their rights and responsibilities and their role in the American economic system. Such understanding is the basis for wise consumer decisions and effective approaches to the problems that individuals and families confront today.

Consumer Education is one of the semester courses required for a Type B vocational consumer and homemaking education program in Missouri. This Consumer Education guide has been developed not only as a curriculum guide, but to provide the teacher with competency-based instruments for planning and evaluation, resource lists, suggested activities, and with a wide variety of hands-on student materials. The guide is intended to provide a useful framework for Consumer Education instruction that the teacher can localize, personalize, and supplement to fit the needs of students, school area, and individual teaching and learning styles. Units include "Making Informed Choices," "Managing Family Income," "Meeting Personal Grooming and Clothing Needs," "Meeting Transportation Needs," "Meeting Housing Needs," "Furnishing and Maintaining a Home," "Arranging for Professional Services," "Conserving Resources," "Obtaining Financial Assistance," "Planning for the Future," and "Recognizing the Citizen's Role in Our Economy."

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NOTES TO THE TEACHER

Competency-based instruction has become a part of the vocabulary of the educational community. Competencies and criterion-referenced measures have come into widespread use as most states have mandated minimum competency programs. While the use of competence to measure achievement is not new in education, the recent emphasis on accountability has put the spotlight on competency-based instruction.

Any program of minimum competencies should not be so broad that instructors feel that the preparation for the competencies is an overwhelming task or that students feel it is not possible to achieve the competencies and thus lack the drive to achieve them. Effective planning by educators is necessary to assure the relevancy of course content with actual consumer needs. New comprehensive record-keeping systems that will provide more detailed data to parents, students, and business persons concerning pupil achievements will also be required as competency-based instructional systems are initiated. Educators are rapidly determining that they must rely on automated electronic record-keeping systems if adequate information for effective instruction is to be available.

The Vocational Instructional Management System (VIMS) has become Missouri's framework for competency-based instruction. There are three basic steps for implementing the system: (1) Identify your program goals, (2) Prepare an analysis or competency list (profile), (3) Write performance objectives based on the competency list. By following these procedures, specific skills and values that should be included in the instructional program are assured. This VIMS process was utilized in the development of this curriculum guide.

To help the instructor in achieving competency-based instruction, a system of interrelated planning and evaluation instruments have been developed for this guide. The components of this system are the competency profile, the objective sheets, the cross-reference tables of instructional materials, evaluation criteria checklists, and the unit tests. This curriculum guide has been developed to correlate closely with the competency profile. Instructional materials are presented in the guide in the same sequence that they appear on the profile.

Both unit and specific objectives are provided for each unit. Specific objectives include the three components of (1) a condition statement, (2) a performance statement, (3) standards.

The cross-reference tables of instructional materials provide the teacher with a planning tool. For each competency covered in a unit, the correlated specific objective(s), transparency master(s), handout(s), assignment sheet(s), job sheet(s), and test items are indicated. By finding a given competency or specific objective, the teacher can read across the cross-

reference table to select the appropriate instructional materials and evaluation items. A wide variety of materials have been provided so that the teacher will have a range of correlated materials and activities from which to choose.

The far right column in the cross-reference tables of instructional materials lists the Missouri core competencies and key skills that are related to the home economics competency. These relationships verify the key skills of language arts, math, science, and social studies that are taught in consumer and homemaking education courses. The core competencies and key skills are coded according to the taxonomy used in the Core Competencies and Key Skills for Missouri Schools manual. The code for subject areas is as follows: L = Language Arts, M = Math, S = Science, and SS = Social Studies. Roman numerals represent grade level, capital letters denote core competencies, and numbers are for key skills.

For example, competency B.1., duty--managing income, task--prepare family budget, is related to LIXE2 or L--Language Arts, IX--ninth grade, E--demonstrate the value of reading for personal development, 2--interpret and use occupational and career information: job listings, application forms, salary schedules and benefits, paycheck stubs. All relationships are coded in this manner.

Evaluation criteria checklists are provided on each job sheet. Like the assignment sheets, job sheets may have answer keys when specific answers are required. However, since job sheets most often relate to more complex real life situations in which there is no one clear-cut answer, an answer key is usually not practical. For this reason, each job sheet is followed by a checklist of evaluation criteria, providing the teacher with a convenient and objective means of evaluating student performance.

Unit tests have been developed to be suitable for electronic means of evaluation. Each test includes a variety of test item types, usually matching, multiple choice, check the correct statement, and short answer. Objective test items appear in the first portions of each test. Such items provide the student with the opportunity to demonstrate knowledge and comprehension. Short answer items are found at the conclusion of each test. These more advanced items test the student's abilities of application, analysis, synthesis, and evaluation of information presented in the unit.

Competency-based instruction offers several decided advantages over other types of educational systems. As reflected in this publication, it describes the outcomes of programs, uses criterion-referenced measures based on clearly stated objectives, provides a sound basis for communicating with the community regarding student skills, and enables students to move more rapidly in their instructional program while achieving their goals.

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MAKING INFORMED CHOICES

UNIT I

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to use sources of consumer information; evaluate advertising, mail order options, service contracts and warranties; recognize fraudulent practices; use consumer protection laws; and resolve consumer complaints. Competencies will be demonstrated by correctly performing the procedures outlined in Assignment and Job Sheets and achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

Upon completion of this unit, the student should be able to:

1. Based on the content outline, MATCH CONSUMERISM TERMS TO THE CORRECT DEFINITIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline and Handout 1, RECOGNIZE CONSUMER RIGHTS AND RESPONSIBILITIES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.
3. Based on the content outline, Transparency Master 1, Handouts 2 and 3, RECOGNIZE SOURCES OF CONSUMER INFORMATION by attaining 100 percent accuracy on the unit Test and/or completing Assignment Sheet 2, 3, 4, or Job Sheet 2.
4. Based on the content outline and Transparency Masters 2, 3, and 4, EVALUATE ADVERTISING by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 3.
5. Based on the content outline, EVALUATE MAIL ORDER OPTIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5 or Job Sheet 4.
6. Based on the content outline and Transparency Master 5, EVALUATE SERVICE CONTRACTS AND WARRANTIES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6 or 7.
7. Based on the content outline and Transparency Master 6, RECOGNIZE THE REQUIREMENTS OF A CONTRACT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6 or 8.

8. Based on the content outline, RECOGNIZE AND SEQUENCE CONSUMER PROTECTION LAWS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 9.
9. Based on the content outline, Transparency Master 7, Handouts 2 and 3, DESCRIBE FEDERAL, STATE, AND LOCAL CONSUMER PROTECTION SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 10 or Job Sheet 2.
10. Based on the content outline and Transparency Master 3, RECOGNIZE FRAUD AND DECEPTION BY EXPLORING WAYS TO AVOID FRAUD by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 5.
11. Based on the content outline, Handouts 1 and 4, RESOLVE A CONSUMER COMPLAINT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 11 or writing a consumer complaint letter (Assignment Sheet 12).

MAKING INFORMED CHOICES

UNIT I

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss Unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.
- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Poll students to find out if they are aware of consumer's rights/responsibilities. Tabulate results and based on outcome, design a campaign to inform the student body of consumer rights/responsibilities.
3. Consult with local business representatives and discover how they respond to consumer concerns. Discuss and evaluate the strategies used in the local community.
4. Discuss posters informing students of consumer information sources. Place these outside the home economics room. Keep a record of how many students stop to view the posters.

5. Collect contracts and warranties from a variety of sources and analyze the language they use as well as whether consumers are dealt with honestly through the various examples.
 6. Collect descriptive advertising examples and set up a bulletin board to inform other home economics classes.
- I. Give test.
 - J. Evaluate test.
 - K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 1. TM 1--Consumer Protection Aids
 2. TM 2--What Is the Purpose of Advertising?
 3. TM 3--Buyers Beware
 4. TM 4--Price Gimmicks
 5. TM 5--Guarantee Registry Card
 6. TM 6--Elements of a Contract
 7. TM 7--Protecting Consumers
- E. Handouts
 1. Handout 1--Consumer Rights and Responsibilities
 2. Handout 2--Sources of Consumer Information
 3. Handout 3--Consumer Information Telephone Numbers/Hotlines
 4. Handout 4--Model Consumer Complaint Letter
- F. Assignment Sheets
 1. Assignment Sheet 1--Solve Consumer Information Puzzle
 2. Assignment Sheet 2--Determine Prepurchase Procedures
 3. Assignment Sheet 3--Make Wise Buying Decisions
 4. Assignment Sheet 4--Research with Consumer Magazines
 5. Assignment Sheet 5--Recognize Mail Order Guidelines
 6. Assignment Sheet 6--Describe Contracts and Warranties
 7. Assignment Sheet 7--Analyze a Warranty
 8. Assignment Sheet 8--Select the Missing Contract Element
 9. Assignment Sheet 9--Sequence Consumer Legislation

10. Assignment Sheet 10--Match Consumer Agencies to Activities
 11. Assignment Sheet 11--Sequence Complaint Procedures
 12. Assignment Sheet 12--Write a Consumer Complaint Letter
- G. Answers to Assignment Sheets
- H. Job Sheets
1. Job Sheet 1--Debate Consumer Responsibilities
 2. Job Sheet 2--Inform Students About Consumer Services
 3. Job Sheet 3--Evaluate Advertising
 4. Job Sheet 4--Select and Order Merchandise from a Catalog
 5. Job Sheet 5--Write and Role Play a "Buyer Beware" Skit
- I. Unit Test
- J. Answers to Test

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Making Informed Choices Unit I

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1 - 12	
*	2		HO 1		JS 1	13, 39	
A.1.	3	TM 1	HO 2, 3	AS 2, 3, 4	JS 2	14, 40	LIXE1; LIXH6,7; LXE1,2
A.2.	4	TM 2, 3, 4			JS 3	15 - 17, 44	LIXH6,7; MIXF4; MXF3
A.3.	5			AS 5	JS 4	18 - 20	LIXH6,7
A.4.	6	TM 5		AS 6, 7		21, 22	SSXM3
A.4.	7	TM 6		AS 6, 8		23, 34 - 38	
A.5.	8			AS 9		24, 28 - 33	
A.6.	9	TM 7	HO 2, 3	AS 10	JS 2	25, 41	
A.7.	10	TM 3			JS 5	26, 42	LXH4,6,7; MIXF4; MXF2,3
A.8.	11		HO 1, 4	AS 11, 12		27, 43	LIXK3; SSIXJ2

*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

MAKING INFORMED CHOICES

UNIT I

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1; AS 1]

- A. Advertising--publicly presented information which explains, and often praises, a product or service to potential customers. The information is prepared by the company in order to encourage the purchase and use of its products or service.
- B. Cash on delivery orders--orders for which no advance payment is sent and payment is made when the order is received.
- C. Cease-and-desist order--a legal order requiring the agency against which it is issued to stop its activity immediately.
- D. Consumers--those who select, use, maintain, or dispose of products and services in order to attain a high level of satisfaction within the limits of available income.
- E. Consumer hotline--a telephone service providing consumers direct, instant communication with companies producing specific products.
- F. Consumer responsibility--the consumer's obligation to act in the best interests of all concerned.
- G. Consumer rights--privileges granted to consumers in the market place and designed to assure just treatment.
- H. Cooperative Extension Service--an agency which provides educational services to county families.
- I. Fraud--an act of deceiving or tricking someone.
- J. Grading standard--quality standard used to evaluate meat or produce.
- K. Quality of life--the relative degree of excellence of our lives as individuals or as families, determined by such features as environmental surroundings and cultural activities.

- L. Seals of approval--identification stamps or marks attached to a product to certify the safety and quality of the product.

II. Recognize consumer rights and responsibilities.

[Objective 2; HO 1; JS 1]

A. Consumer rights

1. Because the U. S. economy is consumer-oriented, consumers play a significant role in determining the economy's direction.
2. Consumers are protected by legislation from unjust business practices.
3. President John F. Kennedy sent the first consumer-oriented program to Congress in 1962. Four consumer rights were identified:
 - a. Choice: Consumers have a right to decide where they will shop as well as which products and services they wish to buy. Consumers should be protected from monopolistic practices.
 - b. Information: Consumers have a right to know what they are buying and under what conditions the product or service is purchased. Many government agencies provide information to assist consumers in making wise purchasing decisions.
 - c. Safety: Products that are dangerous to health or life should be prevented from entering the market.
 - d. The opportunity to be heard: Consumers have a right to make their interests known to governmental decision makers. Consumers also have the right to express their complaints about a product or service.
4. Later presidents added to Kennedy's list. For example, rights related to environmental quality and consumer education were attached to the four rights identified by Kennedy.
5. Most consumer advocates feel that the right to redress of physical damages should be assured if harm results through product use.

B. Consumer responsibilities

1. Since the role of consumers is fundamental to the economy, it is important that consumers assume responsibility for their own actions.
2. Vital areas of consumer responsibility include:
 - a. Consumers are responsible for reporting defective merchandise to sellers and

manufacturers to reduce future problems for others.

(NOTE: Reports should be made to the appropriate agency/organization responsible for supervising the products in the marketplace.)

- b. Consumers must act with honesty.
- c. Consumers are responsible for giving correct information when completing loan applications, returning goods, or requesting services.

III. Recognize sources of consumer information.

[Objective 3; TM 1,7; HO 2, 3; AS 4; JS 2]

A. Why consumer information is needed

- 1. We live in an environment of limited resources.
(NOTE: There are insufficient resources available to feed, clothe and house all the world's people unless significant conservation strategies are practiced.)
- 2. Technological changes increase complexity and the number of devices available to us as consumers.
- 3. Consumers have a responsibility for the quality of life.
(NOTE: The choices we make as consumers influence the resources available to others: if we use up a resource, we may reduce the quality of life for others.)
- 4. Responsible consumers are responsible citizens.
(NOTE: Responsible citizens participate in determining resource allocation through the democratic process by the votes they cast.)

B. Sources of consumer information

- 1. Private consumer information sources
 - a. Agencies that test products used by consumers, (such as Consumer's Union and Consumer's Research Inc.)
 - b. Agencies which develop the methods used by agencies that test products (such as the American Standards Association.)
 - c. Seals of approval may be issued by several agencies to assure quality standards. Examples include the Underwriter's Laboratory seal and the Good Housekeeping seal.
 - d. Private industry has established regulations in areas such as textiles and furniture in order to assure quality.

(NOTE: Private industry may at times prefer to self-regulate rather than submit to federal regulations.)

- e. The Better Business Bureau serves in a local community to:

- 1) Offer information to consumers concerning products,
- 2) Provide a means whereby grievances can be resolved.
- 3) Set standards and practices for businesses in the community.

(NOTE: The Better Business Bureau has no enforcement authority and may not be a significant force in some communities.)

2. The media also provide opportunities for describing consumer complaints or actions.

3. State and local consumer information sources.

- a. State and local governments help set marketing standards, weights and measures and definitions of fraud.
- b. State agencies may also be active in establishing guidelines for insurance, credit, sanitation, health, and contract rights.
- c. State agencies often initiate legislation prior to the establishment of federal regulations.

(NOTE: In these instances, states establish a procedure for developing and passing federal legislation.)

4. Consumer group information sources

- a. Mushroomed in number in the 1960's.
- b. Are numerous and varied in form
- c. Brought about the development of the Consumer Federation of America to coordinate group efforts nationally.
- d. Have sought action in the areas of credit, insurance, food and drug labels, and repair service for such items as appliances and automobiles.

5. Federal agencies which provide consumer oriented service/information

- a. The Federal Trade Commission (FTC) consists of two bureaus:

- 1) The Bureau of Consumer Protection assists consumers with information, consumer education programs, and helps with problems related to advertising, credit, price-fixing and fraud.
- 2) The Bureau of Competition handles anti-trust cases to protect consumers from monopolistic practices.

- b. Office of Consumer Affairs advises the President on consumer education and protection and serves as an outlet through which consumers can register complaints. The degree of support the agency provides to consumers is limited.
- c. The Food and Drug Administration: Responsible for assuring the purity, quality and labeling of the food, drugs and cosmetics. It includes a consumer service division which handles consumers complaints.
- d. Interstate Commerce Commission: Responsible for handling complaints related to trucking, railroad, and moving company shipments.
- e. U. S. Department of Agriculture: Sets standards for, inspects, and grades meat, poultry, and fish, as well as dairy products and canned fruits and vegetables sold in interstate commerce. It provides consumer information through the Cooperative Extension Service and provides additional services through affiliations with Food and Nutrition Services, Rural Development Services, Forest Services and Agricultural Research Services. It includes an Institute of Home Economics which provides consumer information on food, clothing, and household equipment.
- f. U. S. Postal Service: Investigates materials distributed through the mail which may be fraudulent, deceptive, dangerous or obscene.
- g. Department of Housing and Urban Development: Deals with federally subsidized housing and provides shelter-rental service.
- h. Consumer Product Safety Commission: Established to regulate the development and distribution of potentially unsafe products.
- i. Federal Communications Commission: Oversees radio and television broadcasting standards and advertising. Protects consumers from the airing of obscene material. It may revoke the license of a station that violates the rules.

C. Use consumer publications.

- 1. Today's consumers face numerous decisions. To help consumers make decisions, several information services have been developed.
- 2. Consumer Reports and Consumer's Research Magazine provide useful product information for consumers.
 - a. Consumer Reports
 - 1) Published by Consumer's Union, a non-profit organization chartered in 1936

- 2) Directed toward helping sellers obtain information useful in making a purchase.
 - 3) Consumer's Union purchases goods in the open market place, then tests the product performance and publishes the findings in Consumer Reports.
(NOTE: May test goods which are distributed only in select areas.)
 - 4) Test results may emphasize factors unimportant to consumers. Readers of these reports must determine what information is important to them in deciding whether a product meets their needs.
- b. Consumer's Research Magazine
- 1) Published by Consumer's Research Inc., which began in 1929.
 - 2) Performs services similar to those of Consumer's Union.
 - 3) May test samples from industry, which are certified as typical and selected randomly, or rent items to test.
 - 4) Tests goods which are distributed nationally.
 - 5) Does not indicate best buys as does Consumer's Union, but strives to give information from which the consumer can make a sound decision.
- c. Other services
- 1) Federal, state, and local agencies produce helpful consumer guides such as those provided by the U.S. Department of Agriculture.
 - 2) Selected publishing agencies produce consumer-oriented publications, such as Changing Times and Money magazines.
 - 3) Newspapers and magazines may provide consumer information columns which respond to consumer questions and concerns.

IV. Evaluate advertising.

[Objective 4; TM 2, 3, 4; JS 3]

A. Information abundance

1. Each year consumers are exposed to about 70 billion dollars worth of advertising.
2. Television viewers see about 150,000 ads a year.
3. Advertising is presented on the radio about every five minutes.

B. Types of advertising

1. Informative: Describes a product including such information as availability, cost, and value.
(NOTE: Specialized industries produce trade magazines to explain their products to customers of specialized products.)
2. Defensive: Responds to competition.
(EXAMPLE: One advertiser will make a claim such as: "One product is better;" a second advertiser of a similar product will say not only that their product is better but that "the most well-informed people use our product," trying to gain an advantage over the first advertiser.)
3. Comparative: Helps consumer determine which is the better product. Actual names of products compared may be used in the advertisement.
(NOTE: This can be helpful if information is honestly presented, but advertisers may not be completely truthful about a product or may omit information necessary to a thorough comparison of products.)

C. Advertising appeals

1. Advertisers often base their advertising strategy on human psychology.
 - a. Much advertising makes an emotional appeal to the consumer.
 - b. Advertisers may attempt to take advantage of human weaknesses.
 - c. Emotional appeals may encourage consumers to purchase things they do not really need or cannot afford.
2. Image building
 - a. Appeals to the consumer's need for self-esteem.
 - b. Advertiser tries to convince consumers that use of a certain product will make the user more attractive, popular, or successful.
 - c. Testimonials by respected or beautiful people may be used in such advertisements.
3. Association
 - a. Tries to link a product or service with something consumers already like
 - b. May try to capitalize on something the consumer has recently seen, for example, a recent sports event
4. Snob appeal
 - a. Used to advertise a high quality product that is more expensive than other similar products

- b. Advertiser suggests that the product is "not for everyone," that consumers who are above the ordinary choose the product.
(NOTE: "Designer" jeans, with their distinctive label stitched on the pocket and which may sell for two to three times the price of plain jeans, are an example of this type of advertising tactic.)
 - 5. Plain folks
 - a. The plain-folk appeal is a reverse kind of snobbery.
 - b. The advertising appeal is made to consumers who like to think of themselves as "plain folk" and who dislike sophisticated lifestyles.
- D. Assessing advertising
- 1. Be aware of types of advertising.
 - 2. Critically evaluate advertising when making purchasing decisions.
 - 3. Try to determine accuracy and value of advertising.
- E. Advertising restrictions
- 1. The Federal Trade Commission
 - a. Includes the Bureau of Consumer Protection, which monitors advertising, labeling, and deceptive practices
 - b. Includes the Bureau of Competition, which monitors and tries cases related to unfair practices
 - c. Seeks to prevent businesses from making false claims.
(NOTE: The Commission has at times required advertisers to explain to the public any false information presented.)
 - 2. Direct Mail/Marketing Association
 - a. Companies may make a profit from selling customer lists to other businesses.
 - b. Many consumers receive large amounts of unwanted mail.
 - c. Steps consumers can take to remove their names from lists used by advertiser's mailing lists include:
 - 1) Write specific organizations from which mail is received requesting that their name be removed from mailing lists, or
 - 2) Complete a postal form which, when submitted to the post office, requires that the name be removed from mailing lists of specific companies, or

- 3) Write the Direct Mail/Marketing Association, 6 East 43rd Street, New York, NY 10017, requesting a Mail Preference Service form to have the name removed from the lists of more than 400 cooperating mailers.

V. Evaluate mail order options.

[Objective 5; AS 5; JS 4]

- A. Mail order businesses continue to expand throughout the United States doing more than \$40 billion dollars worth of business each year.
- B. When choosing a mail order firm, consider the following:
 1. Before ordering, check with the local Better Business Bureau to be sure the company is reliable.
 2. Be cautious of ordering from companies which offer attractive merchandise at very low prices.
(NOTE: Photographs of the product may exaggerate features.)
 3. Pay for purchases with check or money order to have a record of the purchase.
 4. When ordering, be sure name and address are clearly identified on the order. If sending an order to another person, be sure to indicate the mailing address clearly.
 5. Keep a copy of the order for reference and any necessary follow-up. Keep records of orders, canceled checks, or money order number.
 6. Expect most orders to take six or more weeks for delivery.
 7. When you receive your order, check to be sure it includes all items and is in good condition.
 8. Should you be dissatisfied with your order, contact the company immediately.
- C. Federal Trade Commission mail order regulations require companies to ship orders within 30 days from the date they receive the order.
(NOTE: Remember, this is not the date the order was sent in.)
 1. If companies cannot meet the 30 day deadline, they must inform the customer, providing a chance to cancel the order.
(NOTE: The company must provide a postage-paid means of cancelling the order.)

2. If the company receives a cancellation, they must give a full refund within seven working days from their receipt of the cancellation request.
(NOTE: If an account was charged, it must be cleared within one billing cycle.)
 3. If the company cannot ship the order after the first 30 day period has expired, they must again notify the customer and obtain consent to further delay the shipment.
 4. Not covered by these regulations are:
 - a. COD (cash on delivery) orders
 - b. Photofinishing services
 - c. Plants and seeds
 - d. Book, tape, and record club orders
- D. It is illegal for a company to bill for unordered merchandise.
(NOTE: Samples and other items received in the mail may be treated as gifts. Only charity groups are allowed to ask for donations for such merchandise.)
- E. Individuals may receive undesired mail from groups.
1. When joining groups, individuals may receive a card asking whether their name may be sent to other organizations. Consumers should be sure to state their choice.
 2. To remove a name from undesirable mailing lists, contact the Mail Preference Service, Direct Mail Marketing Association, 6 East 43rd Street, New York, New York 10017.
(NOTE: The DMMA will send a form to complete and return.)

VI. Evaluate service contracts and warranties.

[Objectives 6, 7; TM 5, 6; AS 6, 7, 8]

- A. The Magnuson-Moss Warranty - Federal Trade Commission Improvement Act of 1975 set requirements for warranties.
 1. Include the name and address of the warrantor
 2. Describe what is covered and the amount of coverage
 3. Provide steps for making warranty claims
 4. Identify the duration of the warranty
- B. Manufacturers cannot require that consumers use only recommended items in connection with their product in order for the warranty to be valid. For example, the manufacturer of a gasoline engine cannot require

purchasers to use a specific brand of gasoline for the product warranty to be effective.

- C. Consumers may seek satisfaction on warranties by contacting the manufacturer first; if satisfaction is not gained, the consumer may seek court action and if he/she wins the case, purchase costs, damages and attorney's fees are awarded. If consumers as a group (at least 100) feel they have been victimized by a fraudulent warranty, they may bring a class action suit. A claim of at least \$25 per person or \$50,000 per group must be involved.
- D. Implied warranties are part of every sale and mean that manufacturers and sellers are expected to stand behind their products.
 - 1. Merchants are expected to stand behind their products, whether they are aware of defects or not.
 - 2. Merchants are expected to sell the appropriate product for a specific purpose. (For example, merchants cannot sell interior paint for exterior paint or standard tires for radial tires.)
 - 3. Manufacturers are liable for many injuries that consumers suffer. For this reason manufacturers have increased their insurance coverage, the costs of which are passed on to the consumer.
- E. Contracts are legally-binding documents stating specific obligations of the signers to one another.
 - 1. Guidelines for signing a contract
 - a. In general, a contract cannot be broken unless both parties agree.
 - b. Just because a contract is printed, do not be afraid to make adjustments BEFORE SIGNING IT.
 - c. Oral agreements made in addition to the contract are not binding.
 - d. If a contract contains blank spaces, DO NOT SIGN.
 - e. Do not sign a contract because a salesperson is pressuring you to do so.
 - f. READ THE CONTRACT AND ASK QUESTIONS BEFORE SIGNING.
 - 2. Recognize contract requirements.
 - a. Necessary elements of a contract include:
 - 1) Agreement, consisting of an offer and an acceptance
 - 2) Consideration, consisting of what each party receives from or gives to the other
 - 3) Competent parties, each possessing legal capacity to contract

- 4) Legal purpose, sound, and not in contradiction with the law
- 5) Form, which for some purposes must be written and for others may be oral
(NOTE: The statute of frauds requires certain kinds of contracts to be in writing.)
- b. Statute of limitations
 - 1) Limits the length of time in which a suit may be brought on a claim
 - 2) Time varies widely from state to state and from one type of contract to another
- c. Cause for termination of contracts
 - 1) Fraud
 - 2) Mistake

VII. Recognize and sequence consumer protection laws and regulations.

[Objective 8; AS 9]

- A. Consumers in a market economy face unlimited choices.
(NOTE: Unlimited choice reduces the consumer's ability to compare costs and can increase chances of fraud.)
- B. Congress has the power to determine a standard of weights and measures.
(NOTE: Weights and measures protect consumers from receiving less than they pay for.)
- C. Numerous regulations have been developed to safeguard consumers; a few of these include:
 1. In 1906, the Pure Food and Drug Act and the Meat Inspection Acts were passed.
 2. In 1914, the Federal Trade Commission Act was passed to prevent monopolies from developing and to limit unfair trade practices.
 3. For many years, consumers suffered with drugs and cosmetics which had not been tested before distribution and which caused rashes, poisoning, blindness, and other problems.
 4. In 1938, a strengthened Food, Drug and Cosmetic Act was passed to insure public safety. In the 1960s, concern for consumer protection increased.
(NOTE: Rachel Carson's The Silent Spring and Ralph Nadar's Unsafe at any Speed brought attention to the concerns of environmental pollution and automotive safety.)
 5. John F. Kennedy supported consumer protection by bringing a Consumer Bill of Rights to Congress in 1962.
 6. The Consumer Credit Protection Act was passed in 1965.

7. In the 1970s, the Fair Credit Reporting Act and Equal Credit Opportunity Act were passed and the Consumer Product Safety Commission was established to reduce the distribution of hazardous products.
- D. Consumer regulations may increase the costs of goods and services beyond what the consumer wishes to pay.
(NOTE: Special interest groups have now formed which criticize the excessive costs of government regulation. Government regulation is expensive, reduces the producer's ability to innovate, and keeps many effective products off the market for long time periods.)
 - E. Consumer regulations have saved lives.
(NOTE: Consumer regulations have forced manufacturers to design safer products when they would not have made the expenditure otherwise. Automobiles are safer today because of these regulations.)

VIII. Describe federal consumer protection provisions.

[Objective 9; TM 7; HO 2,3; AS 10; JS 2]

- A. Environmental Protection Agency (EPA)
 1. Set up to protect land, water and air
 2. Carries out numerous tests to determine safety of environment
 3. Enforces regulation and provides information to agencies
 4. Consists of 10 regional offices which assist state agencies in dealing with the environment
 5. Location: Public Inquiries Center, Environmental Protection Agency, Washington, D.C. 20460 (202/382-7550)
- B. Consumer Product Safety Commission (CPSC)
 1. Protects consumers against harmful products
 2. Prepares product safety standards
 3. Checks on health hazards occurring from products
 4. Works with Federal Acts such as: Pay Safety Act, Refrigerator Safety Act, Child Protection Act, Poison Packaging Act, and Flammable Fabrics Act
 5. Provides a toll-free hotline
 6. Provides product fact sheets to help consumers evaluate products
 7. Location: Consumer Product Safety Commission, Washington, D.C. 20207 (800-638-2772)

C. Federal Trade Commission (FTC)

1. Works to prevent false/deceptive advertising of consumer products
2. Enforces Fair Credit Reporting Act, Fair Debt Collection Practices Act, Truth in Lending Act, Energy Efficiency Rating (EER) on household appliances, Magnuson-Moss Warranty Act (standardizes warranty language), and the Textile Labeling Law
3. Location: Correspondence Office, Federal Trade Commission, 6th and Pennsylvania Avenue, N.W., Room 701 Washington, D.C. 20580 (202)/523-3567)

D. U.S. Department of Agriculture (USDA)

1. Maintains standards for safety, cleanliness, and truth in labeling for meat and poultry
2. Inspects sanitation, labeling, and additives in meat packing houses
3. Develops voluntary grading standards for meat, eggs, fruits, vegetables, poultry, and dairy products
4. The Food and Nutrition Service within USDA works with food stamps, school lunch programs, and food assistance to those in need.
5. Location: Department of Agriculture, Washington, D.C. 20250 (202/447-7589)

E. National Highway Traffic Safety Administration (NHTSA)

1. Works to increase highway safety
2. Enforces Federal Motor Vehicle Safety Standards (NOTE: NHTSA may issue recall notices to manufacturers to clean up any defects or safety hazards.)
3. Helps establish fuel economy standards
4. Location: National Highway Traffic Safety Administration, 400 Seventh Street, S.W. Room 6125, Washington, D.C. 20590 (202) 426-4844; 472-7040

F. Federal Information Centers (FIC)

1. Provides consumers with information in many diverse areas
2. Location: St. Louis, Missouri, 314/425-4106; from other locations in Missouri call toll free: 800/392-7711

IX. Describe state and local agency services.

[Objective 9; TM 7; HO 2,3; AS 10; JS 2]

- A. Better Business Bureau
 - 1. Nonprofit organization
 - 2. Provides information on the reliability of businesses and organizations
 - 3. Offers consumer education programs
 - 4. Location: 906 Grand Avenue, Kansas City, Mo. 64106, (816/421-7800); Mansion House Center, 440 North Fourth Street, St. Louis, MO, (314/241-3100); 205 Park Central East, Rooms 319-320, Springfield, MO 65806 (417)/862-9231)
- B. State/County/City Consumer Protection Offices
 - 1. Services provided differ from state to state.
 - 2. Handles complaints concerning consumer goods/services
 - 3. May be concerned with economic development
 - 4. Location: Department of Economic Development, P. O. Box 1157, Jefferson City, Mo. 65102 (314/751-4996)

X. Recognize fraud and deception.

[Objective 10; TM 3; JS 5]

- A. Many frauds occur in our society.
- B. In a complex society it is difficult for consumers to always recognize frauds.
- C. Kinds of frauds that occur:
 - 1. Automobile frauds
 - a. Additional unordered accessories are added to a car a consumer planned to purchase, thus increasing costs.
 - b. A low price is quoted for a car, when the consumer goes to see it, additional charges are added on.
 - c. The consumer is offered a high price to trade in his/her present car; the new car price is increased to cover the high trade-in cost.
 - d. A repairperson talks a consumer into replacing parts which need not be replaced.
 - 2. Educational frauds
 - a. A school promises students employment upon graduation and then fails to live up to the promise.

- b. An individual is sold a diploma without having to take classes.
 - c. A home study course claims to prepare a student for specific jobs; in reality, it does not.
- 3. Food-related frauds
 - a. Using inaccurate scales to weigh food
 - b. Soaking meat in water to add weight
 - c. Inaccurate labeling of in-store products
- 4. Television-related frauds
 - a. Advertise low repair prices, but charge extra to increase price
 - b. Customer asks for estimate before fixing set, repairs are delayed, then repairperson fixes set without giving any estimate.
- 5. Pyramid schemes
 - a. Individuals are told they can make a lot of money with a small investment.
 - b. The required fee is invested.
 - c. The individual receives a license to recruit others to the scheme, who in turn can recruit more people.
 - d. The scheme may or may not involve selling a product.
 - e. The few who begin recruitment efforts make a great deal of money.
 - f. Those who come into the scheme after many others have already entered (bottom of the pyramid) make little money or lose their investment.
- 6. Mail order schemes
 - a. The U.S. Postal Service must deal with millions of dollars in mail fraud schemes each year.
 - b. Examples of mail order fraud include:
 - 1) Fake contests
 - 2) Merchandise at fantastically low prices
 - 3) Fake home business schemes
 - 4) Low quality merchandise switched for high quality merchandise pictured in advertisement

D. Avoid consumer fraud by following these guidelines:

- 1. Stay away from deals that must be settled on the spot.
- 2. Avoid deals where only a small portion of the total cost is paid monthly or weekly.
(NOTE: Costs paid monthly or weekly can turn out to be much more costly with high finance charges than the item is actually worth.)
- 3. Avoid situations in which a product is offered for a low price, but in the store customers are talked

into buying a higher priced item (bait-and-switch schemes).

4. Do not accept free offers; there are usually hidden costs.
5. Before signing a contract, allow time to think about whether or not the item is wanted or needed.
6. Do not allow anyone into the home unless they have valid identification. Call the office they represent to be completely sure they are honest.
7. Do not be persuaded by anyone to remove large sums of cash from a bank account.
8. Check out the reliability of dealers prior to doing business with them, particularly for major purchases.

XI. Resolve consumer complaint.

[Objective 11; HO 1,4; AS 11, 12]

- A. Consumers are responsible for behaving ethically, just as producers are expected to act ethically.
(NOTE: If a cashier gives a customer too much change back, should the customer pocket the extra change or return it? Keep in mind that customers expect cashiers not to short-change them.)
- B. Consumers need to be aware of their rights and responsibilities.
- C. Before consumers make complaints concerning products, they should be sure to check out whether it's something they have done that keeps the item from working properly.
(NOTE: Frequently a switch is on the wrong setting, the item is not plugged in, or it is assembled in the wrong order.)
- D. Making a consumer complaint involves several steps:
 1. Identify the problem.
 2. Gather information to support the claim.
 3. Contact the person(s) who sold the item.
(NOTE: Frequently, once this step has been taken, the problem is resolved.)
 4. Keep trying. There are a variety of agencies where consumers can express their concerns. (But carry out step 3 above first.)
- E. The status of consumer protection varies with each administration.
(NOTE: When federal budgets are cut, consumer protection agencies are cut or abolished; when budgets expand, consumer protection agencies can offer more services.)

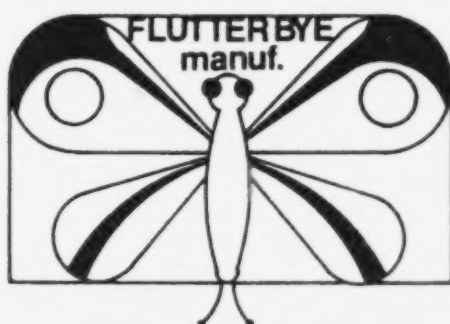
Consumer Protection Aids



Guarantees replacement or refund to consumer.

CONSUMER REPORT

Provides unbiased evaluation.



MACHINE WASHABLE.
USE WARM WATER, NO BLEACH.
SET WASHER INDICATOR AT WARM.
DRIP OR TUMBLE DRY.
USE COOL IRON IF NEEDED.

Product care label.



Granted only to products and services advertised in **Parents Magazine**.



Underwriter's Laboratories has found this electrical item to be safe for normal use.

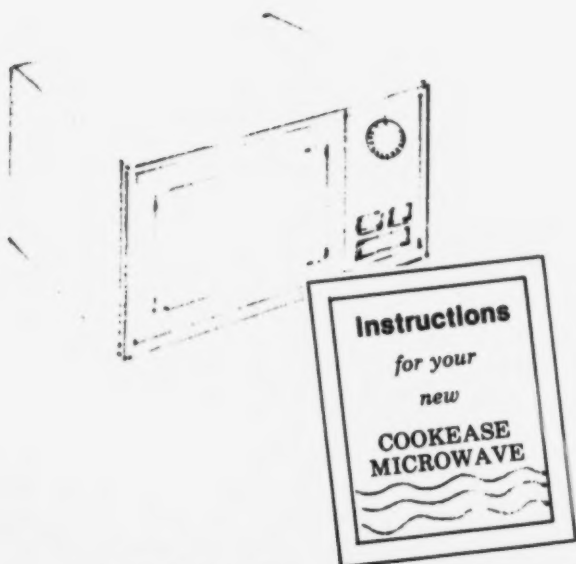


The manufacturer certifies the safety of the appliance for use in the home.

What is the Purpose of Advertising?



- **SELL Products**



- **EDUCATE Consumers**

Now Available!

**Fabric Soap
and
Softener**
in one!



Look for your
free sample
in the mail soon!

- **INFORM Consumers**

Buyers Beware!



- Bait and Switch
- Item Substitution
- Unsolicited Merchandise
- Improper Door-To-Door Sales Tactics
- Unreasonable Promises
- Misleading Advertising
- Deceptive Pricing
- Deceptive Labels
- Improper Collection Tactics

Price Gimmicks

- **Sale! Reduced to \$9.99**
(Former price was \$10.00)
- **FREE Glass With Each Soda!**
(Regular .50¢ soda sells for \$2.50)
- **Save On Jeans! WERE \$25.00, NOW \$14.90!**
(Actual original price was \$15.00)
- **Bargain! Buy 3 for \$1.00 and get one free!**
(Regular price was .25¢ each)
- **Giant 1¢ Sale! Buy First Pair for \$25.00,
Get Second Pair for 1¢!**
(Separately sold for \$10.00 a pair)

GUARANTEE REGISTRY CARD

DATE: _____

When card is filled out and mailed within ten days of purchase, Sparhejon Inc., hereby warrants this product to be free from all defects in workmanship and materials for a period of one year and will repair any such defects free of charge if unit is returned via prepaid parcel post insured to Sparhejon, Inc., 1987 Mizzou Road, Columbia, Missouri 65211 within that period.

On _____ I purchased Sparhejon Product/Model _____

Vendor from whom I purchased product

Vendor Address	City	State	Zip
----------------	------	-------	-----

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

GUARANTEE VOID IF CARD NOT RETURNED WITHIN TEN DAYS FROM DATE OF PURCHASE

PLEASE PRINT CLEARLY

Elements of a Contract



- AGREEMENT
- CONSIDERATION
- COMPETENT PARTIES
- LEGAL PURPOSE
- FORM

Protecting Consumers



CONSUMER HOTLINES



TV, RADIO AND
NEWSPAPER REPORTERS



STATE CONSUMER
PROTECTION AGENCIES



FEDERAL AGENCIES



ACTION PANELS SPONSORED
BY INDUSTRY



MANUFACTURER WARRANTIES

CONSUMER RIGHTS AND RESPONSIBILITIES

<u>Rights</u>	<u>Responsibilities</u>
A. SAFETY	1. Check out features before buying. 2. Analyze labels and warranties. 3. Follow use and care instructions. 4. If product is unsafe, contact seller, Consumer Product Safety Commission, Better Business Bureau, Department of Economic Development.
B. INFORMATION	1. Gather accurate information about product from consumer resources. 2. Evaluate claims. 3. Ask questions about performance. 4. Increase your knowledge of consumer economics. 5. Tell above agencies about the kind of information you receive.
C. CHOICE	1. Analyze techniques used to persuade you to buy. 2. Evaluate alternatives. 3. Consider whether your decisions are sound or impulse oriented. 4. Compare costs of like products. 5. Compare time, energy, and money needed to acquire product. 6. Assume responsibility for your choice.
D. TO BE HEARD	1. State your rights if you receive poor quality goods and services. 2. Support local, state, and federal policies to improve consumer rights. 3. Know the agencies to go to for assistance and protection. 4. Inform suppliers of the quality of their goods and selling techniques. 5. Inform producers of ways to improve their products.

SOURCES OF CONSUMER INFORMATION

State Consumer Information Agency:

Consumer Protection Division
 Supreme Court Building
 P. O. Box 899
 Jefferson City, Mo. 65102

Federal Consumer Information Agencies:

- | | | |
|----|---|--|
| 1. | Federal Trade Commission: | Washington, D.C. 20580 |
| 2. | Office of Consumer Affairs: | Federal Complaint
Coordination Center
Office of Consumer Affairs
621 Reporters Building
Washington, D.C. 20201 |
| 3. | Food and Drug Administration: | Washington, D.C. 20250 |
| 4. | Interstate Commerce Commission: | Washington, D.C. 20523 |
| 5. | U.S. Department of Agriculture: | Washington, D.C. 20250 |
| 6. | U.S. Postal Service: | Washington, D.C. 20260 |
| 7. | Department of Housing and Urban Development: | Washington, D.C. 20410 |
| 8. | Consumer Product Safety Commission: | Washington, D.C. 20207 |
| 9. | Federal Information Center:
(NOTE: Use this service when unsure of what strategy to follow.) | Federal Building
601 E. 12th St.
Kansas City, Mo. 64106
(816) 374-2466 |



Consumer Information Telephone Numbers/Hotline

Consumers may use the following hotlines when they wish to express their concerns to agencies familiar with specific industries or directly to the industry itself.

1. **Advertising:** Director, Bureau of Consumer Protection, Federal Trade Commission, 202/523-3727
2. **Appliances:** Major Appliance Consumer Action Panel, 312/984-5858
3. **Automobiles:** Chrysler, 314/895-0731; American Motors Corporate Office, 313/493-2341; Ford, Western Missouri, 913/888-0141, Eastern Missouri, 314/569-4453; General Motors, 314/895-8608 or 895-8509 (Missouri)
4. **Better Business Bureau:** Kansas City, 816/421-7800; St. Louis, 314/241-3100; Springfield, 417/862-9231
5. **Businesses:** Offices of the Ombudsman, Department of Commerce, 202/377-5001
6. **Consumer Protection Office:** Missouri, 1-800-372-8222
7. **Credit:** Bureau of Consumer Protection, Division of Credit Practice and Credit Section, Justice Department, 202/724-7396
8. **Federal Information Center:** St. Louis, 314/425-4106; Out of Missouri, 1-800-392-7711
9. **Handicapped Services:** Region VII, 816/374-5025
10. **Mail Order:** Unwanted Mail Consumer Service Department, Direct Mail Marketing Association, 212/687-4977
11. **Fraud Warranties:** Federal Trade Commission, 202/523-3598

Model Consumer Complaint Letter

8816 Overview Avenue
Consumer, MO 60000
July 31, 1987

Mr. Dave Dealer
Tomson Electric Mower Company
33216 Prospect Avenue
Columbia, Missouri 65211

Dear Mr. Dealer:

This past month I bought a Tomson Electric Mower from your local agent. The serial number on the machine is SA 1634725. I purchased the mower from Marvin Mower and Repair service of Consumer, Missouri.

After using the mower for about one week, I found it was not performing adequately. I returned to my local dealer several times, but he has failed to correct the problem, nor will he refund my money.

To solve this problem, I would appreciate it if your company would replace my faulty mower with one that operates properly or refund my money. I am enclosing copies of the bill of sale, cancelled check, and the warranty provided with the mower.

I look forward to your reply and recommendations for resolving this problem. I will wait four weeks before contacting the Better Business Bureau. I can be reached at the above address. My home and office telephone numbers are 314/282-8316 and 314/424-2742.

Sincerely yours,

Your Name

State when and where you purchased the item or arranged for the service.

Give as much specific information as possible (model numbers, catalog number, order number, etc.).

Include copies of documents related to the problem (bill of sale, letters, warranties).

Avoid sarcasm, threats, or inappropriate language

Briefly explain the problem.

Explain how the purchase is defective.

Tell what steps you have already taken to solve the problem.

Tell what you believe should be done about your claim.

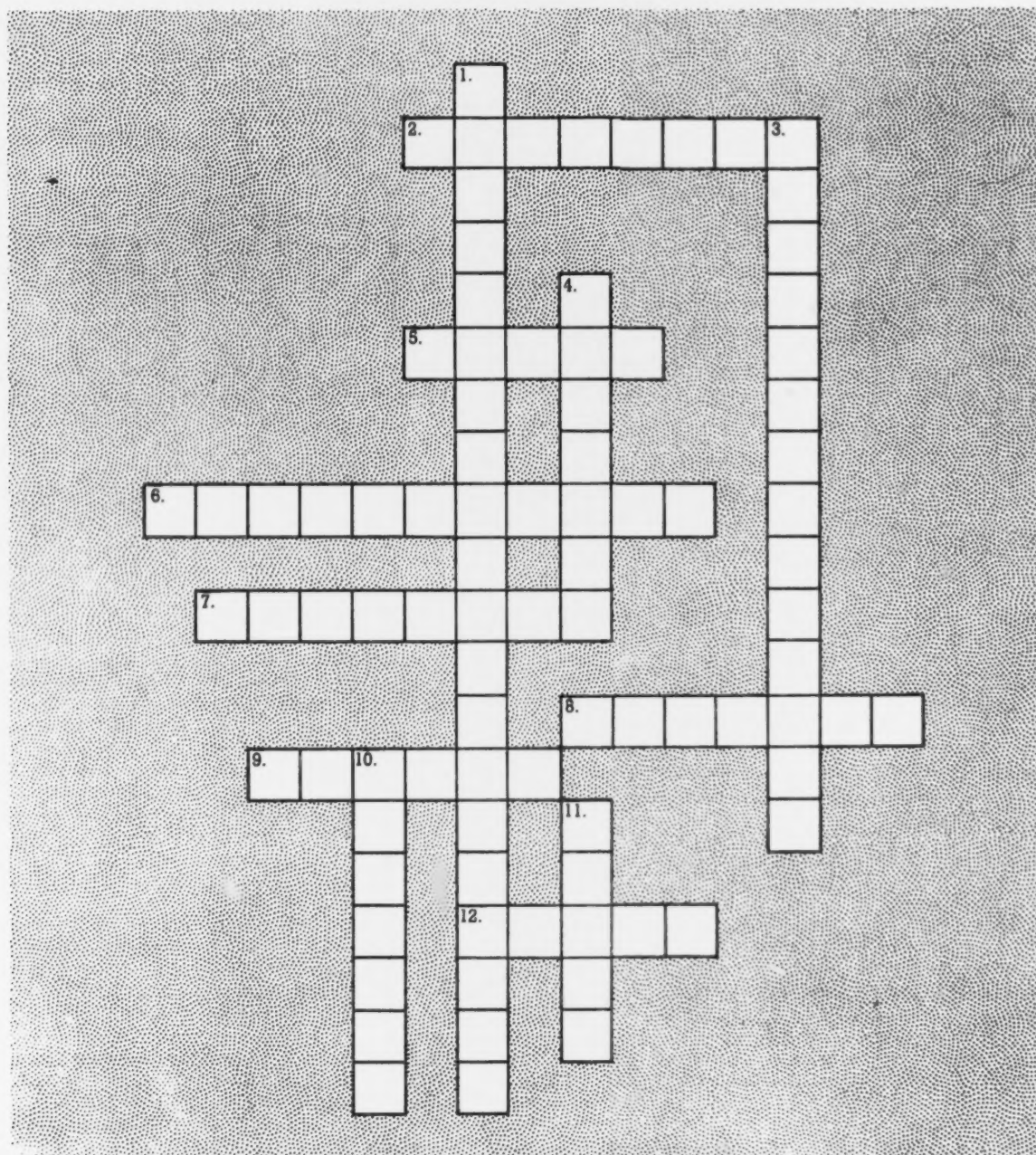
Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 1--SOLVE CONSUMER INFORMATION PUZZLE

Directions: Read the definitions and write in the correct terms to solve this Consumer Information Puzzle.



Across

2. A person who uses products and services.
5. Deceiving or tricking someone.
6. Information that explains and praises a product.
7. When no advance payment is sent for an order, it is called a cash on _____ order.
8. A telephone service that provides consumers with instant communication with a company is called a consumer _____.
9. Privileges guaranteed by law.
12. Marks that certify the safety and quality of products are called _____ of approval.

Down

1. An agency providing educational services to county families is called a _____ service.
3. An obligation to act in the best interests of all concerned.
4. The degree of excellence of life is called _____ of life.
10. A standard used to evaluate meat or produce.
11. A legal order that requires an agency to stop an activity immediately is called a _____-and-desist order.

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 2--DETERMINE PREPURCHASE PROCEDURES

Directions. Joe Workman has been saving his earnings from mowing lawns. He has saved a total of \$200 and would like to use it to purchase a small, personal-size television.

Assume Joe lives in your community. List below the things you suggest he should do (prepurchase research procedures) before he actually buys a television. Be specific in your instructions, using actual store, magazine or catalog names from your locality where useful.

Suggestions for careful purchasing:

What purchase benefits will Joe receive if he follows your suggestions?

Name: _____
 Point Value: _____
 Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 3--MAKE WISE BUYING DECISIONS

Directions. Read each statement below. Then mark an "X" in the appropriate column to indicate whether, in your opinion, the purchase decision is wise or unwise.

	PROBABLY WISE	PROBABLY UNWISE
1. Buying one particular automobile when the prices for the same model somewhere else may vary as much as \$1,050.		
2. Buying one type of automobile insurance when the price may vary as much as \$150 per year between companies.		
3. Buying one brand of non-prescription pain reliever when the prices may vary as much as five cents between brands that contain the same ingredients and you have to make a longer trip to get the lower-priced brand.		
4. Buying an electric extension cord at one store when the prices vary as much as 15 cents less at the other end of the block.		
5. Shopping around at different stores for groceries each week if you have a moderate income and have to do the shopping after a day's work.		
6. Buying one particular vacuum cleaner when prices may vary as much as \$7 and you are wealthy.		
7. Buying an air conditioner in the middle of winter because it is on sale.		

	PROBABLY WISE	PROBABLY UNWISE
8. Always buying household appliances from the corner hardware store when the number of stores in town selling the appliance is large.		
9. Buying electric service.		
10. Buying designer label sportswear when the price of less well-known sportswear of equal quality is lower.		
11. Buying a particular set of encyclopedia because the salesperson was persuasive.		
12. Buying the bicycle type and brand rated highest in <u>Consumer Reports</u> .		

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 4--RESEARCH WITH CONSUMER MAGAZINES

Directions. Your teacher will distribute to you copies of buyers' informational magazines, such as Consumer Reports or Consumer Bulletin. Using these magazines as references, answer the following questions:

1. Where can a person obtain copies of the magazines? _____
2. If subscriptions are available, what is the annual rate? _____
3. What are the regular features or articles that appear in most issues? _____
4. Does the magazine contain the following:
- | | YES | NO |
|---------------------------------------|-------|-------|
| a. Table of contents | _____ | _____ |
| b. Topical index | _____ | _____ |
| c. Statement of philosophy | _____ | _____ |
| d. Explanation of research/ratings | _____ | _____ |
| e. Listings of additional information | _____ | _____ |
| f. Explanatory illustrations | _____ | _____ |
| g. Advertising | _____ | _____ |
5. What kind of group publishes the magazine? _____

6. Pick an article in the magazine that rates a product's performance. Study the article. Then answer these questions:

- a. What article and magazine (volume number and date) did you choose? _____

- b. Which brand or product type received the highest rating? _____

- c. What general recommendations did the article make about the performance of the products examined? _____

- d. Which received the lowest rating? _____

- e. If you are considering the purchase of a product of this type, which brand product would you buy? Why? Be specific. _____

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 5--RECOGNIZE MAIL ORDER GUIDELINES

Directions: Below are statements about ordering by mail. Place an "X" beside each statement that is TRUE.

- _____ 1. It is not necessary to keep a copy of an order because the company you are buying from will keep the records.
- _____ 2. Before ordering by mail, you should check with the local Better Business Bureau to be sure the company is reliable.
- _____ 3. It is not unusual for an order to take six weeks or more to be delivered.
- _____ 4. If an advertised mail order item seems too good to be true, it probably is.
- _____ 5. When you receive an order, you should check to make sure everything is included and is in good condition.
- _____ 6. Printing neatly on an order is not really necessary, because if the company wants your business, they will figure out your name and address.
- _____ 7. If you are dissatisfied with your order, you should contact the company immediately.
- _____ 8. If a company cannot ship your order within 30 days from the date they receive the order, they must give you the opportunity to cancel the order.
- _____ 9. It is against the law for a company to bill you for merchandise you did not order.
- _____ 10. If a company receives a cancellation of an order, they must give the customer a refund within 30 days.

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 6--DESCRIBE CONTRACTS AND WARRANTIES

Directions: Fill in the blanks by choosing the word(s) from the list of terms which most accurately complete the statement.

<u>Statement</u>	<u>List of Terms</u>
1. The government ruling which increased the value of warranties _____	Federal Trade Commission Court Action Liable
2. Consumers may seek _____ if they do not receive satisfaction for their warranty.	Legally Binding Class Action Suit Magnuson-Moss Warranty
3. When consumers form a group to take action against the use of fraudulent warranties, it is called a _____.	Higher Prices Orally Blank Space Adjustments Defective Products Recommended Products Read
4. If manufacturers sell a product that harms the purchaser, they are _____.	
5. When manufacturers have to pay higher insurance premiums to protect themselves against suits consumers must pay _____ for goods and services.	
6. Contracts are _____ documents among two or more persons.	
7. Before signing a contract, _____ it, make any necessary _____.	
8. If agreements are made _____ they are not binding.	
9. Do not sign a contract if it contains any _____.	
10. Manufacturers cannot require consumers to use _____ for warranties to be valid.	

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 7--ANALYZE A WARRANTY

Directions: Read the following warranty and answer the questions below using information from the warranty.

1. What is the name and address of the company issuing the warranty? _____

2. What product is guaranteed? _____

3. What is the time limit on the guarantee/warranty? _____

4. Does the warranty cover repair parts, labor charges, or both? _____

5. Must you register the purchase to be covered by this warranty? _____

6. Are there special limits or conditions on coverage described in the warranty? _____ If so, what are they: _____

A decorative border with a repeating floral and scrollwork pattern, enclosing the warranty text.

WARRANTY
CAPITAL ELECTRIC COMPANY
AUTOMATIC DISHWASHER

If your new Capital Dishwasher fails because of a manufacturing defect within one year from the date of original purchase, Capital Electric Company will repair the product at no charge to you. Both parts and service labor are included.

This warranty is yours as the purchaser for your home use and is for products purchased and retained within the fifty states of the U.S.A. and the District of Columbia. It does not cover damage by accident or misuse. Service will be provided by our factory organization or by our authorized service organization in your area. All you need to do is look us up in the yellow pages; we are nearby.

CAPITAL ELECTRIC
HOME APPLIANCE AND LAUNDRY DIVISION
DISHWASHER AND DISPOSAL DEPARTMENT
INDUSTRIAL PARK, CONSUMER, MISSOURI 65211

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 8--SELECT THE MISSING CONTRACT ELEMENT

Directions: Review the five elements of a contract. Then examine the following situations and select the element that is missing in each. The five elements are:

agreement	form
consideration	legal purpose
competent parties	

- _____ 1. Samantha had discussed with Martin several months ago the possibility of selling her beach cottage to him. Recently she wrote to Martin, indicating that if she did not hear from him to the contrary by a certain date, she would have a contract drawn for the sale of the property. Martin did not reply and later Samantha was furious when he refused to complete the sale.
- _____ 2. Carmen made a verbal agreement to purchase an almost-new cabin cruiser from Fred, on the condition that certain repairs were made. After the repairs were completed, Carmen changed her mind and refused to purchase the boat.
- _____ 3. Tom, who is 16 years old, made a deposit of \$100 on a used car. A week later he changed his mind, but the dealer refused to return Tom's deposit.
- _____ 4. Irving, who has completed law school but failed to pass the bar exam, has contracted to defend Wilson on a charge of breaking and entering.
- _____ 5. Melinda said she has absolutely no use for her collection of antique brass doorknobs and promised to give it to Archibald on the following Friday. Melinda changed her mind on Thursday, but Archibald demands performance of the contract.

- _____ 6. Morgana offered to sell an old tractor to Willard for \$75. Six months later Willard decides to accept the offer and insists that Morgana must honor the contract.
- _____ 7. Marcus, who works in the court house, promised that for a \$50 fee he would see that a traffic ticket received by Alexandria was destroyed.
- _____ 8. Wesley promised to mow his neighbor's lawn all summer, so the neighbor did not purchase a new lawn mower. When Wesley failed to make good his promise, the neighbor complained that Wesley was obligated to do the job.

(Source: Good, James D. Law for Everyday Living. Columbia, Missouri: Instructional Materials Laboratory, University of Missouri-Columbia, 1978.)

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 9--SEQUENCE CONSUMER LEGISLATION

Directions: Below is a list of consumer related regulations. Number these regulations in the order in which they occurred by placing a number in the space provided. Number 1 should be placed beside the earliest legislation, 2 beside the next earliest legislation, and so on.

- _____ Food, Drug and Cosmetic Act
- _____ Consumer Bill of Rights
- _____ Fair Credit Reporting Act
- _____ Federal Trade Commission Act
- _____ Pure Food and Drug Act
- _____ Consumer Credit Protection Act

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 10--MATCH CONSUMER AGENCIES TO ACTIVITIES

Directions: Below are two lists. One is a list of agencies, the other a list of activities performed by agencies. Match the activity to the agency by placing a letter in the space provided.

AGENCY

- _____ 1. Federal Trade Commission
- _____ 2. Federal Information Centers
- _____ 3. Consumer Product Safety Commission
- _____ 4. U.S. Department of Agriculture
- _____ 5. National Highway Traffic Safety Commission
- _____ 6. Better Business Bureau

ACTIVITY

- A. Provides product fact sheets
- B. Sets labeling standards for meat and poultry
- C. Provides information on a business's reliability
- D. Enforces the Fair Credit Reporting Act
- E. Deals with environmental safety
- F. Provides consumers with informative flyers, pamphlets, and leaflets
- G. Helps set fuel economy standards

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 11--SEQUENCE COMPLAINT PROCEDURES

Directions: The following statements reflect things that Connie Consumer did when her new dishwasher would not start. However, the steps are out of sequence. Your task is to rearrange the statements into a logical complaint sequence by placing numbers in the blanks to the left to indicate the order of procedures.

When Connie Consumer's new dishwasher would not start she:

- ___ a. Wrote a complaint letter to the manufacturer
- ___ b. Reread the operating directions
- ___ c. Filed a claim in the small claims court for damages
- ___ d. Went back to the dealer and requested free repair work
- ___ e. Telephoned the manufacturer's customer service supervisor
- ___ f. Filed a complaint with the Office of Consumer Affairs in Washington
- ___ g. Filed a complaint on the dealer with the Better Business Bureau
- ___ h. Told the local newspaper of the problem by writing a letter to the editor

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

ASSIGNMENT SHEET 12--WRITE A CONSUMER COMPLAINT LETTER

Directions: Prepare a letter of complaint to an agency of your choice. Follow the guidelines listed below. Refer to the sample letter on Handout 4 as a guide for your own letter.

GUIDELINES FOR YOUR CONSUMER COMPLAINT LETTER

1. Type your letter if possible. If no typewriter is available, write your letter neatly and legibly in ink.
2. Include only the important facts about your situation:
 - a. Date of purchase
 - b. Place of purchase
 - c. Model or serial number, if applicable
 - d. Service provided by dealer, if applicable.
 - e. Other applicable information, such as missing parts, damages, or lack of safety features
3. State specifically how you want the problem to be solved.
4. Include copies of documents related to the problem, such as bill of sale, letters written to dealer, warranties.

(NOTE: Be sure you keep the originals of any documents related to your complaint.)
5. Avoid sarcasm, threats, or inappropriate language, which might discourage the reader from helping you.
6. Keep a copy of the letter for future reference.

MAKING INFORMED CHOICES

UNIT I

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

Across

2. Consumer
5. Fraud
6. Advertising
7. Delivery
8. Hotline
9. Rights
10. Seals

Down

1. Cooperative extension
3. Responsibility
4. Quality
10. Grading
11. Cease

ASSIGNMENT SHEET 2

Answers will vary. Evaluated to the satisfaction of the teacher in accordance with information presented in the unit and evidence of student research of local resources.

ASSIGNMENT SHEET 3

- | | |
|--------------------|---------------------|
| 1. Probably unwise | 7. Probably wise |
| 2. Probably unwise | 8. Probably unwise |
| 3. Probably unwise | 9. Probably wise |
| 4. Probably unwise | 10. Probably unwise |
| 5. Probably unwise | 11. Probably unwise |
| 6. Probably wise | 12. Probably wise |

ASSIGNMENT SHEET 4

Answers will vary. Evaluated to the satisfaction of the teacher in accordance with Assignment Sheet guidelines and sources consulted by the student.

ASSIGNMENT SHEET 5

An "X" should be marked beside 2, 3, 4, 5, 7, 8, 9.

ASSIGNMENT SHEET 6

1. Magnuson-Moss Warranty
2. Court action
3. Class action suit
4. Liable
5. Higher prices
6. Legally binding
7. Read, adjustments
8. Orally

9. Blank spaces
10. Recommended products

ASSIGNMENT SHEET 7

1. Capital Electric, Industrial Park, St. Louis, MO 63021
2. Automatic dishwasher
3. One year
4. Both repair parts and labor charges
5. No
6. Yes, coverage is limited to failure because of a manufacturing defect within one year from the date of original purchase. Service is not covered for damage by accident or misuse. Service is to be provided by Capital Electric's factory organization or their authorized dealer.

ASSIGNMENT SHEET 8

- | | |
|----------------------|------------------|
| 1. Agreement | 5. Consideration |
| 2. Form | 6. Agreement |
| 3. Competent parties | 7. Legal purpose |
| 4. Legal purpose | 8. Consideration |

ASSIGNMENT SHEET 9

3, 4, 6, 2, 1, 5

ASSIGNMENT SHEET 10

1. D, 2. F, 3. A, 4. B, 5. G, 6. C

ASSIGNMENT SHEET 11

a. 4, b. 1, c. 8, d. 2, e. 3, f. 7, g. 6, h. 5

ASSIGNMENT SHEET 12

Evaluated to the satisfaction of the teacher in accordance with the guidelines provided on the Assignment Sheet and Handout 4.

Name: _____

MAKING INFORMED CHOICES

UNIT I

JOB SHEET 1--DEBATE CONSUMER RESPONSIBILITIES

Procedure: The class will divide into groups to discuss the following two issues and build two cases per issue for debate. One case should agree with and support the statement; the other case should disagree with and point out weaknesses of the issue. Your teacher will call on your group to present one side of one of the statements in a group debate.

- A. It is the responsibility of all consumers to expose to the public any business practices they feel are unfair.

Examples: Substituting shoddy merchandise for higher quality items, misleading sales dialogue, etc.

- B. Every consumer who misuses business services should be openly punished by the community.

Examples: Shoplifting small items such as candy bars, returning merchandise for refund as defective, when the item was actually damaged by improper use, etc.

Evaluation Criteria		Point Value	Points Earned
1.	Selected an issue and discussed pros and cons with group		
2.	Participated in group preparation of arguments to agree with selected statement		
3.	Participated in group preparation of arguments to disagree with selected statement		
4.	Debated the issue in class		
5.	Turned in notes prepared by group agreeing and disagreeing with statement (for extra credit)		
Total Points			

Name: _____

MAKING INFORMED CHOICES

UNIT I

JOB SHEET 2--INFORM STUDENTS ABOUT CONSUMER SERVICES

I. Materials:

Telephone directory
Paper, pencil, markers
Poster board

II. Procedures:

- A. Develop a list of consumer services available in your area.
 1. Check the yellow pages in the telephone directory
 2. Contact the state attorney general's office to find out other available services
- B. Select organizations or hotlines listed on HO-1 and 2 to contact. Find out what services the agency provides and add to those identified in A. above.
- C. As a class, develop questions and survey the student body to find out consumer concerns they have.
- D. Develop a poster of services that respond to student concerns.
- E. Display poster(s) where easily seen by students.
- F. Ask selected students outside the class if they feel the poster(s) are informative.

Evaluation Criteria		Point Value	Points Earned
1.	Completed list of consumer services, including hotline services		
2.	Participated in developing survey or gathering data from students about consumer concerns		
3.	Participated in poster development		
4.	Gathered student reaction to posters (for extra credit)		
Total Points			

Name: _____

MAKING INFORMED CHOICES

UNIT I

JOB SHEET 3--EVALUATE ADVERTISING

I. Materials:

Sources of advertising (papers, magazines, labels, radio, television)
Glue, tape, or stapler

II. Procedures:

- A. Collect an example of each of the advertising types identified in class. Attach the advertisement to the advertising evaluation form. For radio or television ads, write a brief description of the ad on the form.
- B. Fill in the information requested on the advertising evaluation form. You should tell:
 1. The advertising type
 2. The source of the advertisement
 3. What it is about the advertisement that helped you to decide what type it is
 4. How accurate you believe the advertisement is
 5. What value you believe the advertisement has to the consumer
 6. How effective you think the advertisement is (whether it does a good job of selling the product, informing the consumer, and/or educating the consumer)

Evaluation Criteria		Point Value	Points Earned
1.	Obtained examples for each type of advertising		
2.	Supplied information requested for each example		
3.	Used accurate grammar and spelling		
4.	Submitted material on date due		
Total Points			

Name: _____

ADVERTISING EVALUATION FORM

Type of advertising: _____

Source of advertisement: _____

What about the ad shows what type it is? _____

Accuracy of the advertisement _____

Value of the ad to the consumer _____

Effectiveness of the ad _____

Name: _____

MAKING INFORMED CHOICES

UNIT I

JOB SHEET 4--SELECT AND ORDER MERCHANDISE FROM A CATALOG

I. Materials:

Catalogs from several different businesses

II. Procedures:

A. Analyze the catalogs and fill in the information requested.

1. Type of merchandise displayed: _____

2. Completeness of description: _____

3. Range of sizes or models of items available: _____

4. Cost range: _____

5. Process for ordering merchandise:

6. Ease of ordering: _____

7. Identify warranties or guarantees available or statements related to customer satisfaction:

B. Share the results of your analysis with other class members.

C. You may prepare a poster of the information you gathered for display in the home economics room or other display area in the school for extra credit.

III. Select an item to order (for example, an appliance, a garment, recreational equipment, etc.)

A. Compare cost and description of the item in at least two different catalogs:_____

B. Determine which catalog offers the best value and explain why you made this choice:_____

IV. Prepare an order for the item by completing the attached catalog order form.

Evaluation Criteria		Point Value	Points Earned
1.	Answered questions in Part II		
2.	Selected like items from two different catalogs		
3.	Answered questions in Part III		
4.	Completed catalog order form		
5.	Shared results/made a poster (for extra credit)		
Total Points			

BYERS ORDER FORM

Mail to address below right. Do not use for overseas orders

NAME AND PRESENT ADDRESS

Name _____
(first, middle initial, last) Use same name on ALL orders from your household

Mailing Address _____ Apt. _____

City _____ State _____ Zip Code _____

Area Code _____ Phone Number _____ Today's Date _____

		DAY	ORDER	# LINES	SOURCE OF SALE	TYPE SALE	METHOD SHIPMT	CASH	DISCT	TAX EXMT	SPEC CODE	SPECIAL INFORMATION (DO NOT TRANSMIT DASHES)	TERMS TABLE	NO OF MONTHS
--	--	-----	-------	---------	----------------	-----------	---------------	------	-------	----------	-----------	--	-------------	--------------

☐ Add to my BYERS Charge Card account (Subject to credit approval)

Please do not write in this space

My BYERS Charge Card signature: _____

☐ CASH or DEPOSIT for order (check or money order payable to BYERS Co.)

	PAGE NO.	CATALOG NUMBER	HOW MANY	COLOR NO.	SIZE	NAME OF ITEM	PRICE EACH	TOTAL PRICE		WEIGHT*		Please do not write below	
								Dollars	Cents	Lbs.	Oz.	Code	Special Instructions
1			—	—				&				—	—
2			—	—				&				—	—
3			—	—				&				—	—
4			—	—				&				—	—
5			—	—				&				—	—
6			—	—				&				—	—
7			—	—				&				—	—
8			—	—				&				—	—
9			—	—				&				—	—
10			—	—				&				—	—
11			—	—				&				—	—
12			—	—				&				—	—
13			—	—				&				—	—
14			—	—				&				—	—

If your address has changed since your last order, please give your old mailing address here:

Former Address _____ Apt. _____

City _____ State _____ Zip Code _____

Ship to another address/SHIP-A-GIFT. If you want this order shipped to another person or to a different address, freight or express station, give address here:

Name _____

Mailing Address _____ Apt. No. _____

City _____ State _____ Zip Code _____

Fill in spaces below on CASH ORDERS only

TOTAL FOR GOODS			Total Pounds	Total Ounces
*SHIPPING, HANDLING				
TAX			Total Weight in Pounds	
Amount I owe on previous order				
TOTAL CASH PRICE				
AMOUNT ENCLOSED	BYERS Checks			
	Money Order or Check			

* See information page for tax rates, shipping and handling charges.

Mail this order form to the nearest BYERS Catalog Merchant Distribution Center:
ATLANTA, GA 30395
BOSTON, MA 02215
CHICAGO, IL 60607
COLUMBUS, OH 43228
DALLAS, TX 75295
GREENSBORO, NC 27400
JACKSONVILLE, FL 32297
KANSAS CITY, MO 64127
LOS ANGELES, CA 90051
MEMPHIS, TN 38140
MINNEAPOLIS, MN 55440
PHILADELPHIA, PA 19132
SEATTLE, WA 98184

HELPFUL INFORMATION ABOUT YOUR BYERS CATALOG ORDER

ORDERING INFORMATION

Shop by phone, mail, or in person—whichever is most convenient for you. By phone—your local BYERS phone number is on the cover of this catalog. In person—order through your nearest BYERS Catalog Outlet. All current BYERS catalogs are available for your reference. By mail—list all the items on a BYERS order blank or any plain piece of paper. Print plainly your full name and mailing address. Include all catalog numbers, page numbers, descriptions of items, and any special information requested. Mail order to the address nearest you (see the order form).

RECEIVING YOUR ORDER

Tell us how you want your order shipped. All merchandise can be shipped to the BYERS Catalog Outlet nearest you or sent to your home. The charges you will have to pay for shipping and handling will differ depending on the method of shipment. For information on services available and BYERS shipping and handling charges, see below, call the local BYERS Catalog Outlet, or ask a salesperson at the catalog desk.

BYERS SHIPPING AND HANDLING CHARGES FOR HOME DELIVERY

SHIPPING WEIGHT	APPROXIMATE DISTANCE FROM CATALOG MERCHANDISE DISTRIBUTION CENTER (CMDC)					
	Local in CMDC city	Not over 150 miles	151 to 300 miles	301 to 450 miles	451 to 600 miles	Over 600 miles
1 oz to 8 oz	\$1.94	\$2.23	\$2.23	\$2.23	\$2.23	\$2.23
9 oz to 15 oz	2.36	2.69	2.69	2.69	2.69	2.69
1 lb to 2 lbs	2.68	3.26	3.26	3.26	3.26	3.26
2 lbs 1 oz to 3 lbs	2.75	3.48	3.48	3.71	3.71	4.14
3 lbs 1 oz to 5 lbs	2.82	3.73	3.73	4.03	4.03	4.87
5 lbs 1 oz to 10 lbs	3.08	4.69	4.69	5.01	5.01	5.66
10 lbs 1 oz to 15 lbs	3.90	5.13	6.96	6.96	6.96	7.47
15 lbs 1 oz to 25 lbs	4.40	6.10	8.04	8.22	8.33	9.09
25 lbs 1 oz to 45 lbs	5.07	8.27	10.11	10.35	10.64	13.95
45 lbs 1 oz to 55 lbs	6.17	10.43	12.70	13.69	14.77	16.75
55 lbs 1 oz to 70 lbs	7.30	11.39	13.72	15.67	16.27	18.99

PAYING FOR YOUR ORDER

Use your BYERS Charge Card. To apply for credit, contact your local BYERS Catalog Outlet. Payment with mail orders can also be made by check, bank draft, or money order for the amount of merchandise, delivery, and handling. Do not send cash.

IMPORTANT TAX NOTICE

We are required by law to collect tax on sales at the rates shown.

*Alabama 4%	†Kansas 4%	*North Carolina .3%
*Arizona 5%	Kentucky 5%	†North Dakota .4%
*†Arkansas 4%	*†Louisiana 4%	Ohio 5½%
California 6%	Maine 5%	Oklahoma ...3¼%
If your Rapid-Transit District has a tax...6½%	Maryland 5%	†Pennsylvania...6%
Except	*Massachusetts...5%	*Rhode Island .6%
Santa Clara RTD...7%	Michigan 4%	South Carolina .5%
*†Colorado.....3%	*Minnesota 6%	†South Dakota .4%
*†Connecticut 7½%	†Mississippi.....6%	*Tennessee...5½%
†Distr. of Columbia...6%	†Missouri 4.225%	Except
*†Florida 5%	Except	Memphis...7¼%
*Georgia 3%	Kansas City customers.6.225%	*Texas 5½%
†Hawaii 4%	*Nebraska 3½%	*Utah 5½%
Idaho 5%	Nevada 5¼%	Vermont.....4%
*Illinois (5% State, 1% City, 1% RTA).7%	Except Washoe County 6%	*Washington .8.5%
Indiana 5%	*New Jersey 6%	West Virginia .5%
Iowa 4%	†New Mexico ...4¼%	†Wisconsin 5%
	*New York 4%	†Wyoming.....3%

*If your city, county or parish has a tax, include the additional tax required

†Omit tax on exempt clothing

†Direct to customer charges including postage are taxable

COPIES OF WARRANTY STATEMENTS

The warranty is included with any product covered by a specific written warranty. If you wish an extra copy before you order, please state catalog number, page number in catalog, description of product and the manufacturer's name, if mentioned. Send to your local BYERS Catalog Outlet.

ENERGY COST INFORMATION

Additional energy cost information is available for major appliances by writing to your local BYERS Catalog Outlet. Tell us that you want energy costs and give us the catalog number. Your energy costs may vary from those published in our catalogs because of local energy rates and how you use the product. Energy label information on the merchandise may differ from that in a catalog due to revisions in energy costs provided by the government after the catalog was printed.

Name: _____

MAKING INFORMED CHOICES

UNIT I

JOB SHEET 5--WRITE AND ROLE PLAY A "BUYER BEWARE" SKIT

Procedure: Working with two or three other members of the class, select one of the following consumer problems. Use your personal experience or your imagination to write a skit which portrays the problem. Then role play the skit for the class.

- A. Bait-and-switch advertising
- B. Unsolicited merchandise
- C. Deceptive pricing
- D. Improper door-to-door sales tactics
- E. Improper collection tactics
- F. Misleading advertising

Evaluation Criteria		Point Value	Points Earned
1.	Participated in writing a skit		
2.	Presented skit		
3.	Showed how consumer(s) can avoid or handle fraudulent sales tactics		
3.	Turned in the written script for the skit		
Total Points			

Name: _____
Point Value: _____
Points Earned: _____

MAKING INFORMED CHOICES

UNIT I

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|----------------------------|--------------------------|
| a. advertising | g. consumer rights |
| b. cash on delivery orders | h. cooperative extension |
| c. cease-and-desist orders | i. fraud |
| d. consumers | j. grading standards |
| e. consumer hotline | k. quality of life |
| f. consumer responsibility | l. seals of approval |

- | | |
|-------|---|
| _____ | 1. An act of deceiving or tricking someone |
| _____ | 2. Those who select, use, maintain, or dispose of products and services |
| _____ | 3. Orders for which payment is made when the order is received |
| _____ | 4. Marks or stamps that certify the safety and quality of products |
| _____ | 5. An agency that provides educational services to county families |
| _____ | 6. Quality standards used to evaluate meat or produce |
| _____ | 7. Orders that require agencies to stop their activities immediately |
| _____ | 8. The relative degree of excellence in our lives as individuals or as families |
| _____ | 9. A service providing direct, instant communication with companies producing specific products |
| _____ | 10. Privileges designed to assure just treatment |
| _____ | 11. Publicly presented information to explain and praise a product or service |
| _____ | 12. The obligation to act in the best interests of all concerned |

Part Two: Multiple Choice

Directions: For each of the questions below, choose the one best answer by circling the letter of the correct statement.

13. All of the following were identified as consumer rights by President John F. Kennedy except:
- a. To choose where to shop and what to buy
 - b. To have dangerous products prevented from entering the market
 - c. To be compensated if harm results from using a product
 - d. To make interests and complaints known to government decision makers
 - e. To have information about products or services being purchased
14. Which of the following is a private source of consumer information?
- a. Office of Consumer Affairs
 - b. Bureau of Consumer Protection
 - c. Institute of Home Economics
 - d. Consumer Product Safety Commission
 - e. Better Business Bureau
15. Advertising which describes a product is called:
- a. Collusive
 - b. Informative
 - c. Defensive
 - d. Allusive
 - e. Comparative
16. Advertising which helps consumers determine which product is better is called:
- a. Collusive
 - b. Informative
 - c. Defensive
 - d. Allusive
 - e. Comparative
17. Advertising which responds to competition is called:
- a. Collusive
 - b. Informative
 - c. Defensive
 - d. Allusive
 - e. Comparative

18. If you wanted to order something through the mail and were not sure whether the company is reputable or not, which agency could you contact to find out such information?
- a. Federal Trade Commission
 - b. U.S. Postal Service
 - c. Better Business Bureau
 - d. Consumer Protection Office
 - e. Public Inquiries Center
19. When companies receive your mail order, the amount of time they have to ship your merchandise is:
- a. 60 days
 - b. 14 days
 - c. 10 days
 - d. 45 days
 - e. 30 days
20. If you receive unordered merchandise:
- a. You may return it postage-due
 - b. You must return it postage-paid
 - c. You may keep it, but you must pay for it
 - d. You may keep it, and you do not have to pay for it
 - e. You must contact the company within 10 days
21. The federal agency which oversees warranties to assure that dealers stand behind them is:
- a. Federal Trade Commission
 - b. Magnuson-Moss Bureau
 - c. Better Business Bureau
 - d. Consumer Protection Office
 - e. Public Inquiries Center
22. All of the following are legal requirements of warranties except:
- a. To tell the name and address of the warrantor
 - b. To tell what items must be used with the product in order for the warranty to be valid
 - c. To tell the steps for making warranty claims
 - d. To tell the length of time the warranty is good
 - e. To tell what is covered and the amount of coverage
23. Which of the following is cause for termination of a contract?
- a. Mistake
 - b. Change of mind
 - c. New information
 - d. Argument
 - e. Dissatisfaction

24. Which of the following consumer protection acts was passed first (in 1906)?
- a. Fair Credit Reporting Act/Equal Credit Opportunity Act
 - b. Food, Drug and Cosmetic Act
 - c. Fair Credit Reporting Act
 - d. Pure Food and Drug Act
 - e. Consumer Credit Protection Act
25. Which of the following agencies has worked with such acts as the Refrigerator Safety Act, Child Protection Act, Poison Packaging Act, and Flammable Fabrics Act?
- a. Environmental Protection Agency
 - b. Federal Trade Commission
 - c. Consumer product Safety Commission
 - d. U.S. Department of Agriculture
 - e. U.S. Postal Service
26. Which of the following is a reason why pyramid schemes cause people to lose money?
- a. High quality merchandise is sold at fantastically low prices, leading to more and more sales and causing investors to lose money.
 - b. Those individuals who begin after many others have already entered the scheme make very little money or lose their investment, because they cannot find others to go into the scheme.
 - c. False documents are used to deceive the unwary individual into buying a great deal of worthless desert or swamp property. The investors lose money when they try to sell additional lots after the first few buyers have seen their property.
27. If you have purchased a faulty product and want to resolve the problem, you should first go to:
- a. The Better Business Bureau
 - b. The Federal Trade Commission
 - c. The company that made the product
 - d. The company that sold the product
 - e. The local representative of Consumer's Union

Part Three: Matching

Directions: Match each agency to the description of the service it provides by writing the letter in the space beside the description that best describes the agency's activities.

- | | |
|----|--|
| a. | Environmental Protection Agency |
| b. | Consumer Product Safety Commission |
| c. | Federal Trade Commission |
| d. | U.S. Department of Agriculture |
| e. | National Highway Traffic Safety Administration |
| f. | Direct Mail Marketing Association |
-
- | | | |
|-------|-----|---|
| _____ | 28. | Helps establish fuel economy standards |
| _____ | 29. | Removes consumers' names from mailing lists on request |
| _____ | 30. | Carries out tests to determine the safety of the land, water, and air |
| _____ | 31. | Checks on health hazards caused by products |
| _____ | 32. | Works to prevent false and deceptive advertising |
| _____ | 33. | Maintains standards for safety and cleanliness of meat and poultry |

Directions: Match contract element to its description by writing the letter in the space beside the statement which best describes the contract element.

- | | |
|----|-------------------|
| a. | Agreement |
| b. | Consideration |
| c. | Competent parties |
| d. | Legal purpose |
| e. | Form |
-
- | | | |
|-------|-----|---|
| _____ | 34. | What each party receives from or gives to the other |
| _____ | 35. | A written or oral statement |
| _____ | 36. | Sound and not in contradiction with the law |
| _____ | 37. | An offer and an acceptance |
| _____ | 38. | Possessing legal capacity to contract |

Part Four: Short Answer

Directions: Write your answers to each of the following questions.

39. Why do consumers have a responsibility to report defective merchandise to sellers and manufacturers?

40. Name one source of consumer information and describe the type and quality of the services offered.

41. Explain when consumer protection regulations are not of benefit to consumers.

42. Identify two ways to avoid consumer fraud.

a. _____

b. _____

43. Identify two pieces of information to include in a consumer complaint letter.

a. _____

b. _____

44. Evaluate the attached advertising example according to the following points.

(NOTE TO TEACHER: Select an example advertisement of your choice and prepare a copy for each student or create a transparency to project to class.)

a. Classification as to type of advertising represented:

b. Accuracy of the advertising:

c. Value of the advertising to the consumer:

(NOTE: If the following activities have not been completed prior to the test, ask your teacher if/when they should be completed.)

45. Solve consumer information puzzle (Assignment Sheet 1).
46. Determine prepurchase procedures (Assignment Sheet 2).
47. Make wise buying decisions (Assignment Sheet 3).
48. Research with consumer magazines (Assignment Sheet 4).
49. Recognize mail order guidelines (Assignment Sheet 5).
50. Describe contracts and warranties (Assignment Sheet 6).
51. Analyze a warranty (Assignment Sheet 7).
52. Select the missing contract element (Assignment Sheet 8).
53. Sequence consumer legislation (Assignment Sheet 9).
54. Match consumer agencies to activities (Assignment Sheet 10).
55. Sequence complaint procedures (Assignment Sheet 11).
56. Write a consumer complaint letter (Assignment Sheet 12).
57. Debate consumer responsibilities (Job Sheet 1).
58. Inform students about consumer services (Job Sheet 2).
59. Evaluate advertising (Job Sheet 3).
60. Select and order merchandise from a catalog (Job Sheet 4).
61. Write and role play a "buyer beware" skit (Job Sheet 5).

MAKING INFORMED CHOICES

UNIT I

ANSWERS TO TEST

Part One

- | | |
|------|-------|
| 1. i | 7. c |
| 2. d | 8. k |
| 3. b | 9. e |
| 4. l | 10. g |
| 5. h | 11. a |
| 6. j | 12. f |

Part Two

- | | |
|-------|-------|
| 13. c | 21. a |
| 14. e | 22. b |
| 15. b | 23. a |
| 16. e | 24. d |
| 17. c | 25. c |
| 18. c | 26. b |
| 19. e | 27. d |
| 20. d | |

Part Three

- | | |
|-------|-------|
| 28. e | 34. b |
| 29. f | 35. e |
| 30. a | 36. d |
| 31. b | 37. a |
| 32. c | 38. c |
| 33. d | |

Part Four

39. To reduce future problems for others
40. See the Information Sheet, sections III. B. "Sources of consumer information" and III. C. "Use consumer publications" for possible responses.
41. Consumer regulations may increase the costs of goods and services beyond what the consumer wishes to pay.
(Government regulation is expensive, reduces the producer's ability to innovate, and keeps many effective products off the market for long time periods.)
42. Any two of the following:
Stay away from deals that must be settled on the spot.
Avoid deals where only a small portion of the total cost is paid monthly or weekly.
Avoid situations in which a product is offered for a low price, but in the store customers are talked into buying a higher price item (bait-and-switch schemes).
Do not accept free offers; there are usually hidden costs.
Before signing a contract, allow time to think about whether or not the item is wanted or needed.

Do not allow anyone into the home unless they have valid identification. Call the office they represent to be completely sure they are honest.

Do not be persuaded by anyone to remove large sums of cash from a bank account.

Check out the reliability of dealers prior to doing business with them, particularly for major purchases.

43. Any two of the following:

Date of purchase

Place of purchase

Model or serial number, if applicable

Service provided by dealer, if applicable

When and where item/service was purchased

Why the item/service is defective

What steps have been taken to solve problem

Statement of how you want problem solved

Copies of related documents, such as bill of sale, letters, warranties

44. Answers will vary based on advertisement selected; evaluated to the satisfaction of the instructor.

- 45-56. See Answers to Assignment Sheets

- 57-61. Evaluated to the satisfaction of the teacher in accordance with evaluation criteria provided on the Job Sheets.

MANAGING INCOME

UNIT II

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to prepare a budget, manage income and expenses, reconcile a bank statement, and carry out household record keeping strategies. Competencies will be demonstrated by correctly performing the procedures outlined in the Assignment and Job Sheets and achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, DEFINE TERMS AND DEFINITIONS RELATED TO MANAGING INCOME by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline, RECOGNIZE THE INFLUENCE OF MONEY MANAGEMENT VALUES ON BUDGETING by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2 or Job Sheet 1.
3. Based on information presented in the unit, PREPARE A BUDGET by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3 or Job Sheet 1.
4. Based on information presented in the unit, DETERMINE RESPONSIBILITIES FOR BILL PAYMENT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3 or Job Sheet 1.
5. Based on the content outline, DEMONSTRATE THE ABILITY TO RECORD EXPENSES AND DEPOSITS AND TO COMPUTE CHECKING BALANCE by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 4.
6. Based on the content outline, Transparency Masters 2 and 3, RECOGNIZE THE NEED TO RECONCILE A BANK STATEMENT by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 2.
7. Based on the content outline and Transparency Masters 2 and 3, DEMONSTRATE THE ABILITY TO RECONCILE A BANK STATEMENT by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 2.

8. Based on the content outline and Handout 1, PLAN A RECORD KEEPING SYSTEM FOR IMPORTANT PERSONAL AND FAMILY RECORDS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5.
9. Based on the content outline, PLAN A HOUSEHOLD RECORDS FILE by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5.
10. Based on the content outline, RELATE MICROCOMPUTER USE TO MANAGING INCOME by attaining 100 percent accuracy on the Unit Test.

MANAGING INCOME

UNIT II

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss Unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use the transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.
- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Have students analyze sample budgets to get an idea of how families spend their money.
3. Set up a debate to argue the pros and cons of the four strategies for balancing income/expenses.
4. Analyze the merits of various software budgeting packages available to consumers.

- I. Give test.
- J. Evaluate test.
- K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 - 1. TM 1--Your Income, How Will You Spend It?
 - 2. TM 2--Reading a Bank Statement
 - 3. TM 3--Reconciling a Bank Statement
- E. Handouts
 - 1. Handout 1--A Monthly Record Keeping System
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 - 3. Handout 3--Case Studies with Discussion Topics and Suggested Activities
- F. Assignment Sheets
 - 1. Assignment Sheet 1--Complete Money Management Terms Puzzle
 - 2. Assignment Sheet 2--Check Your Money Management Values
 - 3. Assignment Sheet 3--Prepare a Budget
 - 4. Assignment Sheet 4--Record Checking Expenses and Deposits and Compute Correct Balance
 - 5. Assignment Sheet 5--Set Up a System for Keeping Household Records
- G. Answers to Assignment Sheets
- H. Job Sheets
 - 1. Job Sheet 1--Manage Income and Expenses for a Family
 - 2. Job Sheet 2--Reconcile a Monthly Bank Statement
- I. Unit Test
- J. Answers to Test

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HELPFUL RESOURCES FOR TEACHERS

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- B. Common Cents: The Complete Money Management Workbook, Judy Lawrence, Dow-Jones-Irwin, Homewood, IL, 1986.
- C. Family Economics Review, United States Department of Agriculture, Subscription available from Superintendent of Documents, Washington, D.C.
- D. Go for the Gold, (Filmstrip and teacher's guide on financial planning), Money Management Institute, Prospect Heights, IL.
- E. Managing Your Money, Federick S. Brown, J. Weston Walch Publishers, Box 658, Portland, ME, 1985.
- F. Michigan Consumer Education Center, 207 Rackham Building, Eastern Michigan University, Ypsilanti, MI 48197. Provides resources such as books, curriculum guides, films/slides and vertical file materials for preview and evaluation.
- G. Money Management Booklet Library, Money Management Institute, Prospect Heights, IL 60070.
- H. Newsletter, Published nine times a year for members, American Council on Consumer Interests, 240 Stanley Hall, University of Missouri-Columbia, Columbia, MO 65211.
- I. Penny Power, Subscription (includes complementary classroom teaching guide) available from Consumers Union of the United States, Mount Vernon, New York 10553.

- J. Your Checking Account, Internal Training Services, 333 West State Street, Media, Pennsylvania 19063.

COMPUTER SOFTWARE

- A. Andrew Tobia\$: Managing Your Money. Available for IBM PC, XT, Compaq computers from Micro Education Corporation of America (MECA), 285 Riverside Avenue, Westport, Connecticut 06880.

An integrated home financial package with seven programs in one: prepares your budget and balances your checkbook, calculates your net worth, helps manage your stock portfolio, calculates your taxes, estimates your life insurance needs, analyzes loans and helps you do retirement planning, reminds you of important dates. Integrated so that data need only be entered once. On-line help, on the computer.

- B. Sylvia Porter's Personal Financial Planner. Available for Apple, IBM, and Commodore computers from Timeworks, Inc., 444 Lake Cook Road, Deerfield, Illinois 60015.

For day-to-day affairs: maintains your electronic checkbook and credit card system; writes your checks and balances your checkbook (includes calculator and memo pad); prepares and monitors your budget; classifies and tracks your taxable income and expenses; calculates your net worth and generates customized personal financial statements; tracks your financial assets and your insurance policies; graphically generates supplemental data, such as percentages, ratios, and charts. For planning for the future: leads you step-by-step through a series of questions about your life and lifestyle, your financial goals, and your current financial condition. Your answers are used to prepare a summary of the amounts you must save each year to meet your financial objectives (in real and inflated dollars). Toll-Free Hotline and Customer Technical Support Team service included. Integrated so that data need only be entered once. Interfaces with Timeworks' Word Writer to generate letters and reports.

Managing Income Unit II

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1-6	
*	2	TM 1		AS 2	JS 1	35	
B.1.	3	TM 1	HO 1, 2, 3	AS 3	JS 1	21-28, 29, 30	LIXE2; LXE1,2; MIXB3; MXH2,3; MXH5; SSIXM2
B.2.	3		HO 1, 2, 3	AS 3, 4	JS 1, 2	7	LIXE2; LXE1,2; MIXB3; MIXH3; MXH3,4
B.3.	3		HO 1, 2, 3	AS 3, 4	JS 1, 2	13-20	MIXB3; MIXH3
B.4.	3		HO 1, 2, 3	AS 3, 4	JS 1, 2	8	MIXB3; MIXH3
B.5.	3, 4		HO 1, 3	AS 3	JS 1	9, 10, 3	MIXB3; MIXH3
B.6.	3, 4		HO 1, 3	AS 3	JS 1	9, 10	
B.7.	5			AS 4		11	MIXB3
B.7.	6, 7	TM 2, 3			JS 2	32	
B.8.	8		HO 1		AS 5	33, 34	
B.9.	9				AS 5	33, 34	
B.1-8.	10					12	

*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

MANAGING INCOME
UNIT II
INFORMATION SHEET

I. Match terms and definitions.

[Objective 1; AS 1]

- A. Bank statement--a monthly report provided to account holders by the bank, with information concerning deposits, checks paid, and any applicable service charges.
- B. Budget--plan for managing money based on financial goals and priorities and on expected income and expenses.
- C. Cancelled check--a check which has been cashed, processed by the bank, and returned with the bank statement to the account holder.
- D. Fixed expenses--costs which recur throughout a time period and remain almost the same, such as rent, mortgage payments, loan payments, utilities, savings, insurance payments.
- E. Flexible expenses--costs which vary over time, such as food, personal items, clothing, recreation.
- F. Reconcile bank statement--compare personal account totals with the bank account totals to achieve matching totals.

II. Prepare a budget.

[Objectives 2, 3; HO 1, 2, 3; AS 2, 3, 4; JS 1, 2]

A. Why budget?

- 1. Because most people have limited incomes, budgeting is necessary to achieve goals.
- 2. When money is spent on some items, there is less money for other items.
- 3. Budgeting encourages careful, disciplined spending and reduces waste or unnecessary expenses.
- 4. Budgeting requires that priorities be set.
- 5. Budgeting helps people to analyze the decisions they make.

6. Budgeting helps to prevent unlimited spending which could lead to financial disaster.
7. When all members of a family are involved in preparing a family budget, quarrels over money can be reduced.

B. Steps in preparing a budget

1. Identify goals.
2. Determine total income.
3. Determine total expenses.
4. Balance income with expenses.

C. Developing a budget involves the following steps:

1. Determine personal and/or family goals and objectives for the year.
2. Analyze previous spending patterns for a month or more.
3. Identify fixed expenses.
(NOTE: These include rent, mortgage payments, utilities, etc.)
4. Identify flexible expenses.
(NOTE: These include food, personal items and clothing, among others.)
5. Balance the above two expenses with monthly income.
(NOTE: If expenses are above income, ways must be found to reduce 3 and 4 above. If expenses are less than income, the excess may be applied to the emergency fund or to achieve other family goals, such as health care, leisure.)
6. Record keeping books may be purchased for monthly expenditures or a personalized monthly cash flow system may be set up.)

III. Determine total income.

- A. Designing a budget requires an estimation of income for the year.
- B. Gather information to determine the year's income by referring to:
 1. Paycheck stubs (count only take-home pay, not deductions)
 2. Previous year's income tax
 3. Any additional income from bonuses, rents, social security, stocks/bonds, interest on savings
 4. Include monies earned by all household members

(NOTE: Add all these items and divide by 12 (months) to determine how much money is available each month.)

IV. Determine total expenses.

A. For family budgets, involve all family members in the budget process.

B. Each family member identifies his/her goals and determines which goals have priority.

(NOTE: Personal goals of family members are then used to set direction for the family's yearly budget.)

C. Identify all fixed expenses.

1. Include insurance, loan payments, charitable contributions, and regular savings plans.

2. Fixed expenses may occur monthly, quarterly, semiannually or annually.

3. Emergency funds should be part of every budget.

(NOTE: Emergency funds are necessary in case of accidents, unexpected illness, unemployment, repair/replacement of auto or home appliance. Most experts recommend that families set aside at least two months income in case of emergency. This amount is beyond the regular savings account. If it is used, it should be replaced as soon as possible.)

4. Budget categories usually include:

a. Housing (a large portion of any budget)
(NOTE: This includes rents/mortgages, utilities, gas, electricity, water, furniture, appliances, household supplies, and services, such as lawn care.)

b. Food (a large budget expenditure)
(NOTE: This includes food eaten at home, school, restaurant.)

c. Transportation (personal and public)

d. Clothing

e. Personal care

f. Health care

g. Recreation/leisure

h. Others, including education costs, gifts, and savings

5. Budget category costs vary with size of family, geographic location, age of family members and other factors.

V. Balance income with expenses.

- A. Reaching agreement on how income should be spent is often difficult for families.
- B. Most people tend to use the techniques their parents used whether or not these methods are appropriate to the current family setting.
- C. Several strategies are available for balancing income and expenses. These strategies include:
 - 1. Pooling income
 - a. All family members deposit earnings in a joint savings and checking account.
 - b. Each family member's contribution is considered of equal value.
 - c. This form of income management requires a great deal of cooperation and trust.
 - d. This plan does not allow for independent spending.
 - e. It is simple and frequently used by traditional families.
 - 2. Proportional distribution
 - a. Each family member contributes to the family budget by providing a portion of his/her income.
(NOTE: Each family sets its own proportion, for example, one family might decide that each earning family member contribute 1/2 his/her monthly income to the budget.)
 - b. This plan allows for some individual spending.
 - c. Individuals earning a smaller income have less spending money than those earning a larger income.
 - d. This system is unfair when some family members earn little or no money.
 - 3. Independent accounts
 - a. Family members decide on how much money they wish to pool from their incomes.
 - b. Each wage-earner establishes his/her own separate account for independent purchases.
 - 4. Splitting expenses:
 - a. Family members decide who should be responsible for various expenses.
(EXAMPLE: Family members could trade off paying bills with one person paying one month, the other person paying the next month.)

- b. The individual who earns more has much more to spend after paying bills than the person who earns less.

VI. Determine responsibilities for bill payment.

[Objective 4; HO 1,3; AS 3; JS 1]

- A. Families need to decide who is responsible for seeing that bills are paid.
- B. Responsibility for paying bills can be shared or traded-off, for example, one person might pay bills one month, another person could pay them another month.
- C. It is important that family members openly discuss how money is spent, so that all know how resources are used and goals are reached.
- D. Knowledge of record keeping is essential for all family members in case a family member is unable to fulfill responsibilities due to illness or death.

VII. Reconcile a bank statement.

[Objectives 5, 6, 7; TM 2, 3; AS 4; JS 2]

- A. Reconciling bank statements helps the account holder know how much money is in his/her checking account.
- B. Check stubs provide a payment record.
- C. Banks provide their customers with monthly statements which can be compared with personal records.
(NOTE: Bank statements provide information concerning deposits, checks paid and any applicable service charges.)
- D. The bank returns cancelled checks to account holders, indicating that the bank has paid money from their accounts.
- E. Reconciling a bank statement involves organization and cross checking additions and subtraction.
- F. Once the account is reconciled, check results with the monthly budget.

(NOTE: Whether an individual is over, under, or even with his/her monthly budget determines decisions to be made concerning revising the budget, reducing expenses, or expanding emergency and savings plans.)

VIII. Set up a record-keeping system.

[Objective 8; HO 1; AS 5]

A. Types of records to keep.

1. Families and individuals are responsible for knowing their financial standing.
2. Knowledge of the family's or individual's financial picture depends upon keeping more than a budget and monthly expenditure list. Other types of records to keep include:
 - a. Cancelled checks, bank statements (keep for about a three year time period)
 - b. Income statements, including tax-related forms (keep for five years)
 - c. Insurance policies (life, health, auto, and other policies; keep for a lifetime)
 - d. Investment statements (stock transactions)
 - e. Home improvements (canceled checks or receipts on painting, remodeling, landscaping, repairs)
 - f. Tax deduction items (medical/dental/drug receipts; keep at least three years)
 - g. Large purchases (checks/receipts on furniture, appliances, automobile; keep for length of ownership)
 - h. Credit card information (account numbers; name, address, and telephone number of company)
 - i. Tax returns (keep for up to three years)
 - j. Valuables (receipts/canceled checks for antiques, furs, jewelry; keep record of the sale of any of these items)
 - k. Other (records, such as contracts, warranties, service contracts, loans; keep for length of ownership of items, or until loans are paid off)
 - l. Securities/property ownership (car titles, stock certificates, deeds, bonds; keep for length of ownership)
 - m. Personal records (marriage license, birth certificate, military records, educational records; keep for a lifetime)
 - n. Wills (the original should be in the hands of the person who is to carry out the will so the intent of the will can

be carried out at the time of death;
keep for a lifetime)

- o. Household inventory (keep record of all personal/household items, including pictures; keep lifelong)

(NOTE: Items 1. through o. are best kept in a safe deposit box in case of theft, fire, or loss of the home.)

B. Devise a safe place to store records (file cabinet, fire-proof cabinet).

C. Organize a filing system making it possible to find information easily.

IX. Set up a system for filing household records.

[Objective 9; AS 5]

A. Alphabetical files

- 1. File folders are labeled with the first letter of the label used as the organizer.
- 2. This system works well if there are many items to file.

(NOTE: Keep a miscellaneous file in each section from A to Z. When items that cannot be filed elsewhere in that section accumulate, create a new folder).

B. Subject file

- 1. Files are organized into subject categories
- 2. Each file is subdivided alphabetically.
(EXAMPLE: An insurance file subdivided alphabetically into auto insurance, household insurance, life insurance files. Each subject is then arranged alphabetically.)

C. Numerical file

- 1. Items to be filed are given a number in a sequence and then organized alphabetically within the sequence.
(EXAMPLE: I. could be attached to personal information, II. attached to household information, etc.)
- 2. A guide sheet with all numbered categories must also be set up for reference.

D. Individuals may wish to devise their own system. Be sure that once the system is set up, it is workable.

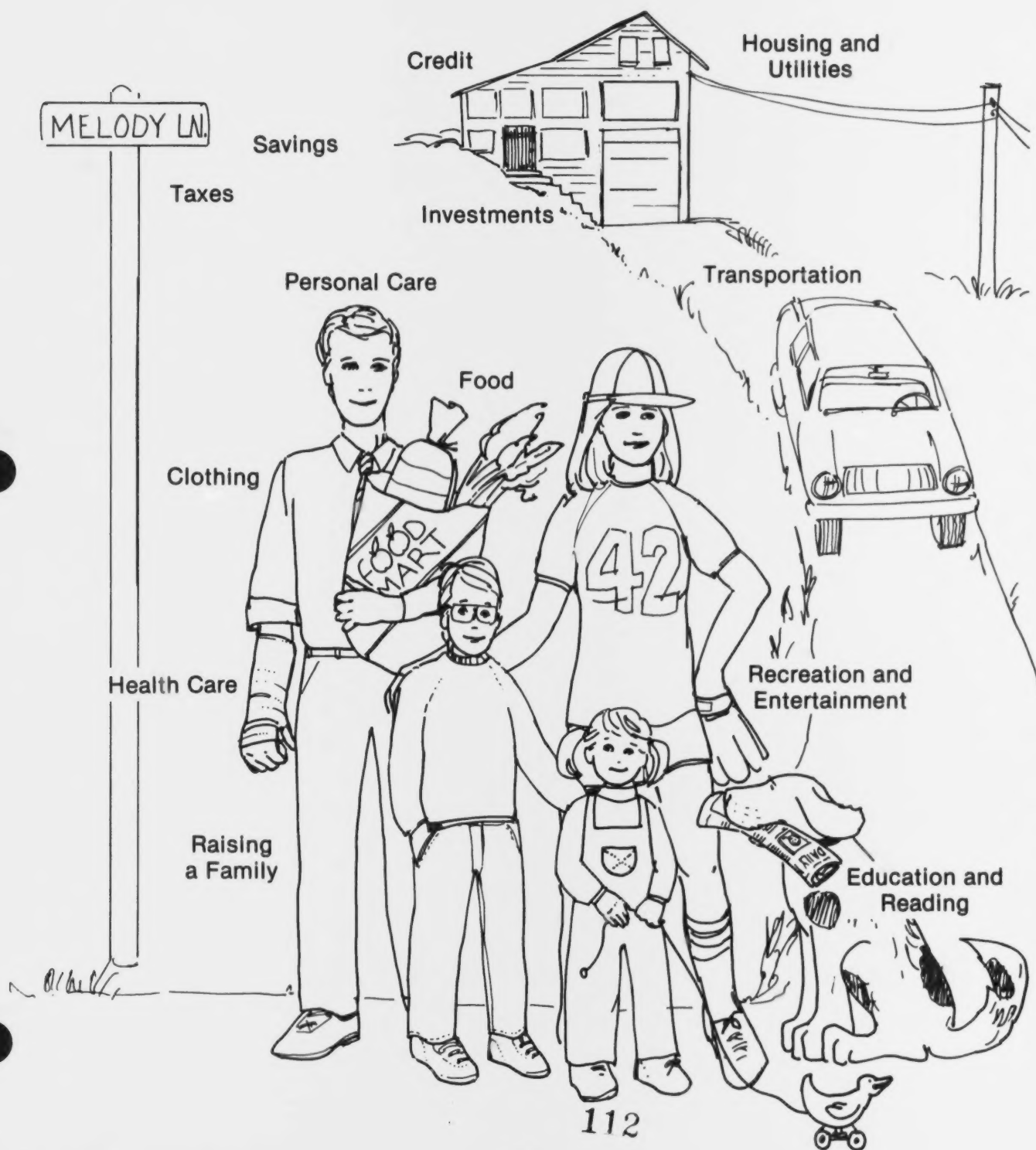
X. Relate microcomputer use to budgeting.

[Objective 10]

- A. Numerous budget plans are available from companies which produce software for microcomputers.
- B. Review available software to determine plans appropriate for you and/or your family.
- C. Characteristics of effective budgeting software
 - 1. Simple and easy to use
 - 2. Can be adapted as goals change
 - 3. Provides a variety of options
- D. Typical functions of budgeting software for personal microcomputer use:
 - 1. Keep financial records
 - 2. Balance checkbook
 - 3. Record expenses
 - 4. Compare income with expenses
- E. Using the microcomputer to maintain budget-related information enables you to check the status of your budget quickly.

Your Income

How Will You Spend It?



Reading a Bank Statement

Checks Paid by Bank
During the Month

Name and Address
of Depositor

Account Number

Civic Town Bank

CHECKING ACCOUNT STATEMENT

James and Sue Parker
3322 Elm Street
Civic Town, MO 88800

ACCOUNT NUMBER
342-541-91
STATEMENT DATE
01-20 to 02-20

FDIC

DATE	CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	BALANCE
02-01	25.00		494.93
02-04	17.50		477.43
02-08	146.00		331.43
02-12	52.39		279.04
02-14	1.50 SC		277.54
02-14	1.80 SC		275.74
02-16	28.00		247.74

BALANCE FROM PREVIOUS STATEMENT	TOTAL DEBITS		TOTAL CREDITS		SERVICE CHARGE	BALANCE THIS STATEMENT
	NUMBER	AMOUNT	NO.	AMOUNT		
519.93	5	268.89	0	0	3.30	247.74

Balance at Beginning
of the Month

Deductions Made
During the Month

Service Charge
for the Month

Deposits Made
During the Month

Balance at End
of the Month

CC-CERTIFIED CHECK
CM-CREDIT MEMO
CX-CHECK REVERSAL

DM-DEBIT MEMO
DX-DEPOSIT REVERSAL
EC-ERROR CORRECTION

HC-HANDLING CHARGE
LS-LIST OF CHECKS
OD-OVERDRAWN

RT-RETURN ITEM
SC-SERVICE CHARGE

Reconciling a Bank Statement

Deposit not yet shown on bank statement, found by comparing deposits on check stubs and bank statement

Checkbook balance as shown on check stub

Bank balance at end of month shown on bank statement

Charge for imprinting checks shown on bank statement and on debit slip sent with statement

You Can Easily BALANCE YOUR CHECK BOOK

Fill In Below Amounts From Your Check Book And Bank Statement

Balance Shown on Bank Statement: \$ 247.74

Add Deposits Not on Statement: \$ 361.90

Total..... \$ 609.64

Subtract Checks Issued but Not on Statement:

\$ 22.00
16.80
30.50

--
--
--
--
--
--
--

Total..... \$ 69.30
Balance..... \$ 540.34

Balance Shown in Your Check Book: \$ 543.64

Add any Deposits Not Already Entered in Check Book: \$

Total..... \$ 543.64

Subtract Service Charges and other Bank Charges Not in Check Book:

\$ 1.50
1.80
--

Total..... \$ 3.30
Balance..... \$ 540.34

These totals represent the correct amount of money you have in the bank and should agree.
Please examine your statement promptly and report any errors immediately.

Outstanding checks found by comparing checkbook and canceled checks

Service charge as shown on bank statement and on debit slip sent with statement

A Monthly Record-Keeping System

INCOME AND EXPENSE RECORD FOR _____
(month) (year)

	Date	Housing Rent/ Mortgage	Food	Transpor- tation	Clothing	Utilities	Health Care	Insurance	Medical	Leisure	Savings	Other	Income
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
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25													
26													
27													
28													
29													
30													
31													
Amount Spent													
Budgeted Amount													

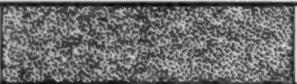
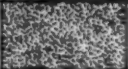
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115

HO 1

116

Average Budget for a Family

Housing		34.0%
Food (at home)		14.5%
Food (away from home)		4.5%
Insurance		10.5%
Transportation		10.0%
Personal Care		7.0%
Clothing		6.0%
Recreation		5.0%
Gifts		4.5%
Medical		4.0%

CASE STUDIES WITH DISCUSSION TOPICS AND SUGGESTED ACTIVITIES

(NOTE TO THE TEACHER: These case studies may be used with Assignment Sheet 3 in this unit and may be adapted for use in discussions and activities for other units, for example, making a transportation plan in Unit IV, selecting appropriate housing in Unit V, obtaining financial assistance in Unit IX, planning for the future in Unit X. Family case study material is included on Job Sheet 1 of this unit.)

CASE STUDIES A AND B: CATHY CARTER AND CHARLES CHANDLER

Cathy Carter and Charles Chandler are seniors in high school. They have decided to plan their budgets carefully this year because they know that the senior year in high school can be the most expensive. Their parents will pay for their school supplies, textbooks, and lunches. In addition, each student receives \$60 a month allowance from his/her parents. Last summer Cathy and Charles each worked part-time and saved \$1,000. They are considering the possibility of going on to college next year, and wonder if they should try to keep part of their summer savings for college. They do know that when planning their budget for this year, they should consider whether or not they will have expenses for such items as school yearbook, homecoming, the fall carnival, the winter dance, concerts, athletic events, movies, activities with friends, senior class trip, graduation announcements, cap and gown fees, graduation party. They will also need to consider how these expenses will be met, for example, from their savings, allowances, earnings (from occasional odd jobs, babysitting, errands, etc.), parent assistance.

CASE STUDY C: JOHN JONES

John Jones is a 19-year-old high school graduate who is now employed as a driver for an express mail delivery service. His net monthly income after taxes and benefits are deducted from his pay is \$950. John's average monthly expenses are:

Rent	\$225	(shares apt. with a friend, total \$450)
Utilities	\$ 60	(= half of total utility expenses of \$120)
Car payment	\$175	
Car insurance	\$ 35	(= quarterly payments of \$105)
Gas and oil	\$ 60	
Food	\$200	
Health care	\$ 20	(monthly breakdown of a few bills per yr.)
Personal care	\$ 40	

CASE STUDY D: JENNIFER JENSEN

Jennifer Jensen is a 19-year-old high school graduate who is now employed as a computer operator for a manufacturing company. Her net monthly income after taxes and benefits are deducted from her pay is \$950. Jennifer's average monthly expenses are:

Rent	\$225	(shares apt. with a friend, total \$450)
Utilities	\$ 60	(= half of total utility expenses of \$120)
Car payment	\$175	
Car insurance	\$ 35	(= quarterly payments of \$105)
Gas and oil	\$ 60	
Food	\$200	
Health care	\$ 20	(monthly breakdown of a few bills per yr.)
Personal care	\$ 40	

CASE STUDY E: DAN DEXTER

Dan Dexter is a 19-year-old college student. He attends college full-time and works part-time as a research assistant in the campus library. His net monthly income after taxes is \$400. His savings from his summer job are \$1,500. He has a scholarship/college loan in the amount of \$2,000 for the year. Dan also receives \$3,000 per year from a college savings plan his parents had established for him earlier. His college tuition and fees are \$4,000 a year. His books and school supplies cost about \$600 per year. In addition to these expenses, his average monthly expenses are:

Rent	\$140	(shares apt. with 2 friends, total \$420)
Utilities	\$ 40	(= third of total utility expenses of \$120)
Insurance	\$ 50	
Food	\$175	
Health care	\$ 10	(uses campus student health services)
Personal care	\$ 40	
Transportation	\$ 40	

CASE STUDY F: DANA DANSON

Dana Danson is a 19-year-old college student. She attends college full-time and works part-time as an editor for a campus publication. Her net monthly income after taxes is \$400. Her savings from her summer job are \$1,500. She has a scholarship/college loan in the amount of \$2,000 for the year. Dana also receives \$3,000 per year from a college savings plan her parents had established for her earlier. Her college tuition and fees are \$4,000 a year. Her books and school supplies cost about \$600 per year. In addition to these expenses, her average monthly expenses are:

Rent	\$140 (shares apt. with 2 friends, total \$420)
Utilities	\$ 40 (= third of total utility expenses of \$120)
Insurance	\$ 50
Food	\$175
Health care	\$ 10 (uses campus student health services)
Personal care	\$ 40
Transportation	\$ 40

TOPICS FOR DISCUSSION

1. Are the expenses described in the case studies similar to, more, or less than expenses in your area?
2. Of the expenses listed in the case studies, which are flexible and which are fixed expenses? Which expenses are for "needs" and which for "wants"?
3. To prepare a budget for the case studies, other expenses not listed in the descriptions would also need to be considered. What are some examples of other expenses?
4. How might a budget for any given case study change based on differences in attitudes, values, and goals?
5. How might different life cycle stages affect the types of expenses an individual or family might have and the amounts spent for different types of expenses? At different life cycle stages, what unexpected changes in expenses or income might occur?
6. Why should a young adult be concerned about savings? About the financial aspects of retirement?

SUGGESTED ACTIVITIES

1. Prepare a budget for any of the case studies.
2. Write your own case study of an individual or family situation. Include information on the type of expenses the individual or family might have, as well as estimates of amounts that might be spent for various items.
(NOTE TO THE TEACHER: These case studies may be saved for future use.)
3. Small groups of students can think up situations in which an individual or family might be having financial and/or budgeting problems. This could be presented to the class as a skit or appropriate problem-solving tactics might be discussed.
4. Students can interview persons in different life cycle stages to learn about the types of expenses these people have and how they budget. Students might make charts or posters to illustrate what they have learned.
5. Invite a guest speaker from a community service agency to talk to the class about financial issues for individuals and families in certain types of situations, such as young parents, single parents, parents of handicapped children, the elderly.

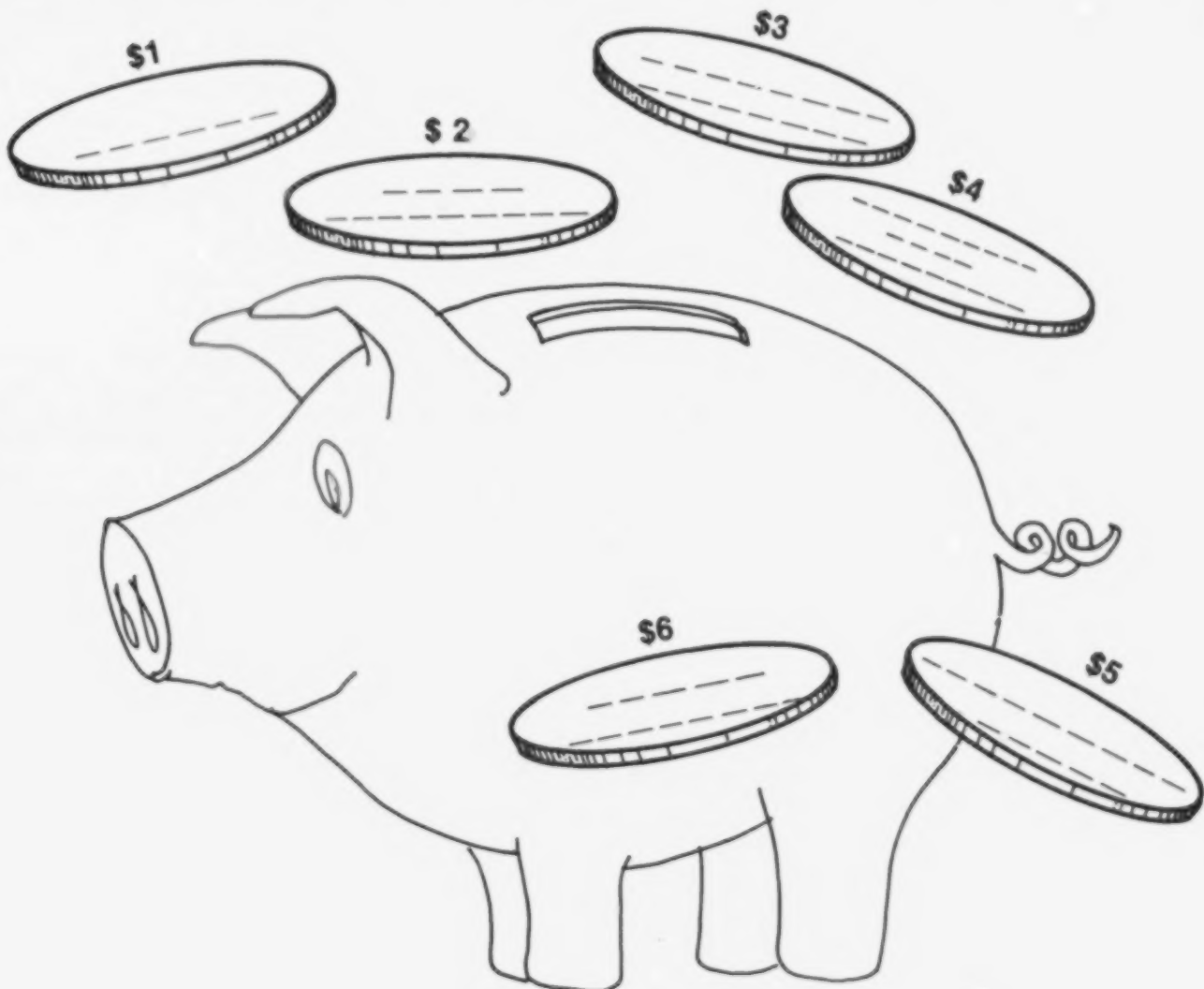
Name: _____

MANAGING INCOME

UNIT II

ASSIGNMENT SHEET 1--COMPLETE MONEY MANAGEMENT TERMS PUZZLE

Directions: Fill in the blanks with the terms that correctly match the definition below.



- \$1 - Plan for managing money.
- \$2 - Report from the bank on deposits, checks paid, and service charges.
- \$3 - Food, personal items, clothing, recreation.
- \$4 - Match personal account totals with bank account totals.
- \$5 - Check cashed, processed by the bank, and returned to the account holder.
- \$6 - Rent, mortgage, loan, utility, insurance payments.

MANAGING INCOME

UNIT II

ASSIGNMENT SHEET 2--CHECK YOUR MONEY MANAGEMENT VALUES

Directions: This questionnaire explores the topic of money management values. You will not be asked to turn in this Assignment Sheet; however, your class may discuss how values and attitudes affect individual and family budgeting.

(NOTE: DO NOT PUT YOUR NAME ON THIS PAPER. IT IS FOR YOUR PERSONAL USE AND, YOU WILL NOT BE ASKED TO TURN IN THIS ASSIGNMENT SHEET.)

1. List some positive feelings you have about money.

2. List some negative feelings you have about money.

3. Review each item below in terms of its importance for you (and your family). Then rank each item by placing a number in the space provided; a "1" means you feel the item is highly important for you (and your family).

_____ Family sharing
_____ Personal achievement
_____ Family budget
_____ Time for self
_____ Leisure activities
_____ Other (add your own idea) _____

4. If you could change the way you (and your family) manage money, what one thing would you change?

Name: _____
Point Value: _____
Points Earned: _____

MANAGING INCOME

UNIT II

ASSIGNMENT SHEET 3--PREPARE A BUDGET

Directions: Use the worksheet below to assist you in preparing an individual or a family budget.

(NOTE TO THE TEACHER: Students may base their budgets on personal experiences or interviews with friends or relatives, may create their own case studies, use the case studies on Handout 3 or Job Sheet 1.)

A. Income

1. From paid or self-employment \$ _____
2. Income from other sources _____

B. Fixed expenses

1. Housing _____
2. Utilities _____
 - a. Gas _____
 - b. Electricity _____
 - c. Water _____
 - d. Telephone _____
3. Insurance costs _____
 - a. House _____
 - b. Personal property _____
 - c. Automobile _____
 - d. Life _____
 - e. Health _____

4.	Loan payments	
	a. Automobile	_____
	b. Other	_____
	_____	_____
	_____	_____
5.	Savings	\$ _____
6.	Emergency fund	_____
7.	Flexible living expenses	_____
	a. Food/beverages	_____
	b. Transportation	_____
	c. Clothing	_____
	d. Personal care products	_____
	e. Leisure/recreation	_____
	f. Household expenses	_____
	g. Gifts/contributions	_____
	h. Other	_____
	_____	_____
	_____	_____
	_____	_____
9.	Total of all expenditures	\$ _____
10.	Total income	\$ _____

(NOTE: Do your total expenditures exceed or stay within your total income? Does your budget account for personal/family goals, such as saving for education, purchasing leisure for the whole family or braces for a family member's teeth? If it does not, readjustment is necessary!)

Name: _____
Point Value: _____
Points Earned: _____

MANAGING INCOME

UNIT II

ASSIGNMENT SHEET 4--RECORD CHECKING EXPENSES AND DEPOSITS AND COMPUTE BALANCE

Directions: Below is a list of checks written by Jim and Sue Parker one month for the situations described. Record each check correctly in the check register (account book) provided. Compute your balance after each check is recorded.

(NOTE TO THE TEACHER: This Assignment Sheet may be used with Job Sheet 2, "Reconcile a Monthly Bank Statement.")

1. Feb. 2, 19__ Check No. 23 for \$35.00 to Art's Auto Shop for new belts
2. Feb. 6, 19__ Check No. 24 for \$270.00 to Amalgamated Mortgage for February rent
3. Feb. 6, 19__ Check No. 25 for \$18.00 to Crown Drug Store for vitamins
4. Feb. 12, 19__ Check No. 26 for \$60.00 to Cross Shoe Store for shoes
5. Feb. 15, 19__ Check No. 27 for \$28.00 to Elmo's Discount Store for home supplies
6. Feb. 18, 19__ Check No. 28 for \$85.00 to Civic Town Utilities for gas heat
7. Feb. 20, 19__ Check No. 29 for \$12.00 to Civic Town Telephone for telephone service
8. Feb. 27, 19__ Check No. 30 for \$235.00 to Mutual Shield Insurance for household insurance
9. Feb. 28, 19__ Check No. 31 for \$55.00 to Bott's Clothing for blouses
10. Feb. 29, 19__ Check No. 32 for \$218 to United Financial Services for car payment

ASSIGNMENT SHEET 4

Name _____

(NOTE: Be sure to record each check correctly in the check register (account book) below. Subtract the amount of the check from the balance to find the new balance.)

19 _____	DESCRIPTION - CHECKS OR DEPOSITS	✓	DEDUCT ANY FEE	BALANCE FORWARD }	2466	00
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		
NO	TO			SUBTRACT CHECKS -		
DATE	FOR			ADD DEPOSITS +		
				NEW BALANCE		

Name: _____
Point Value: _____
Points Earned: _____

MANAGING INCOME

UNIT II

ASSIGNMENT SHEET 5--SET UP A SYSTEM FOR KEEPING HOUSEHOLD RECORDS

Directions: Tom and Paula are a young couple who are having trouble finding household records when they need them. The problem is that they have no organized system for keeping their records. They have decided to finally sit down together and work out a record-keeping system and organize all their records.

Look at the types of records Paula and Tom have and decide how you would organize these records into an efficient system. Describe your system: tell what you would do with the records shown in the illustration below, tell where you would store records (boxes, file folders/filing cabinet, etc.), how records would be filed or organized (alphabetical, numerical, subject), and give examples.



MANAGING INCOME

UNIT II

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

1. budget, 2. bank statement, 3. flexible expenses, 4. reconcile bank statement, 5. cancelled check, 6. fixed expenses

ASSIGNMENT SHEET 2

Assign points for participation. Individual answers will vary. This Assignment Sheet is to be retained by the student for personal use.

ASSIGNMENT SHEET 3

Answers will vary. Evaluated to the satisfaction of the teacher in accordance with information presented in the unit and case study material used by the student.

ASSIGNMENT SHEET 4

Check register completed as shown below.

ASSIGNMENT SHEET 5

Answers will vary. Evaluated to the satisfaction of the teacher in accordance with information presented in the unit.

19	DESCRIPTION - CHECKS OR DEPOSITS	✓	MINUS	BALANCE		
				FORWARD		
NO 23	TO Arts Auto Shop			SUBTRACT CHECKS	-	2,466 00
DATE 2/2	FOR New belts			ADD DEPOSITS	+	35 00
				NEW BALANCE		2,431 00
NO 24	TO Amalgamated Mortgage			SUBTRACT CHECKS	-	270 00
DATE 2/6	FOR February rent			ADD DEPOSITS	+	2,161 00
				NEW BALANCE		2,161 00
NO 25	TO Crown Drug Store			SUBTRACT CHECKS	-	18 00
DATE 2/6	FOR Vitamins			ADD DEPOSITS	+	2,143 00
				NEW BALANCE		2,143 00
NO 26	TO Cross Shoe Store			SUBTRACT CHECKS	-	60 00
DATE 2/12	FOR Shoes			ADD DEPOSITS	+	2,083 00
				NEW BALANCE		2,083 00
NO 27	TO Elmo's Discount Store			SUBTRACT CHECKS	-	28 00
DATE 2/15	FOR Home Supplies			ADD DEPOSITS	+	2,055 00
				NEW BALANCE		2,055 00
NO 28	TO Civic Town Utilities			SUBTRACT CHECKS	-	85 00
DATE 2/18	FOR Gas heat			ADD DEPOSITS	+	1,470 00
				NEW BALANCE		1,470 00
NO 29	TO Civic Town Telephone			SUBTRACT CHECKS	-	12 00
DATE 2/20	FOR Telephone service			ADD DEPOSITS	+	1,458 00
				NEW BALANCE		1,458 00
NO 30	TO Mutual Shield Insurance			SUBTRACT CHECKS	-	235 00
DATE 2/27	FOR Household insurance			ADD DEPOSITS	+	1,723 00
				NEW BALANCE		1,723 00
NO	TO			SUBTRACT CHECKS	-	397 00
DATE 2/28	FOR Deposit			ADD DEPOSITS	+	2,120 00
				NEW BALANCE		2,120 00
NO 31	TO Betty's Clothing			SUBTRACT CHECKS	-	55 00
DATE 2/28	FOR Blouses			ADD DEPOSITS	+	20 65 00
				NEW BALANCE		20 65 00
NO 32	TO United Financial Services			SUBTRACT CHECKS	-	218 00
DATE 2/28	FOR Car Payment			ADD DEPOSITS	+	1,847 00
				NEW BALANCE		1,847 00
NO	TO			SUBTRACT CHECKS	-	
DATE	FOR			ADD DEPOSITS	+	
				NEW BALANCE		

Name: _____

MANAGING INCOME

UNIT II

JOB SHEET 1--MANAGE INCOME AND EXPENSES FOR A FAMILY

Directions: Follow the steps below to manage family income and expenses.

(NOTE TO THE TEACHER: You may wish to omit step I and provide your selected case study for the class to use in developing a budget. CASE STUDY INFORMATION PROVIDED FOR THIS JOB SHEET SHOULD BE ADJUSTED TO MAKE IT APPROPRIATE FOR YOUR STUDENTS AND COMMUNITY.)

- I. Use the accompanying page to develop a case study of a family. Select a descriptive item from each column and list the items together on a sheet of paper. This describes a family for which you may develop a budget.

(NOTE TO THE TEACHER: You may wish to develop the case study and provide it to students or you may wish to have students (individually, in small groups, or as a class) develop their own case studies.)

- II. Students (individually, in small groups, or as a class) develop a budget for the family described in the case study.

- III. Duplicate the following brief descriptions of family situations and cut them into squares of paper to create situation cards. Students may select or randomly draw situation cards to use in deciding how family plans will be adjusted to handle new situations. Students may write out responses to the situations, role play responses, or discuss or debate them in class.

(NOTE TO THE TEACHER: You may wish to make up additional situation cards or ask your students to do so.)

VARIATION: Select a number of descriptions of family situations and write these on a large "life events wheel" on poster board with a spinner attached. Rather than drawing cards, students take turns spinning for situations.

Evaluation Criteria		Point Value	Points Earned
1.	Prepared a budget appropriate to situation of case study family		
2.	Included necessary and appropriate categories in family budget		
3.	Allocated reasonable amounts for family budget categories		
4.	Income and expenses of family were balanced		
5.	Budget included attempt to meet needs of all family members		
6.	Budget included attempt to plan/ provide for the family future		
7.	Planned appropriate responses to life situations for case study family/budget		
Total Points			

Mother and father in
home, both employed

Mother and father in
home, father employed

Mother and father in
home, mother employed

Mother and father in
home, both unemployed

Single female head of
household, employed

Single female head of
household, unemployed

Single male head of
household, employed

Single male head of
household, unemployed

Guardians, male and
female, retired

No children

One child

Two children

Three children

Four children

One preschool child,
if daycare = -\$250/month

Two preschool children,
if daycare = -\$500/month

One child in college
= -\$250/month

Two children in college
= -\$500/month

Entry level breadwinner(s),
few skills, little or no
training, when employed
earn \$10,000 (each)

College/vocational school
student(s), when employed,
take home \$6,000 after
school expenses are met

Blue/pink collar bread-
winner(s), when employed
earn \$17,000 (each)

White collar breadwinner(s),
when employed earn \$21,000
(each)

Professional breadwinner(s),
when employed earn \$45,000
(each)

Retired, receive Social
Security and pension
= \$12,000 (each)

Retired, receive Social
Security, pension,
retirement savings =
\$24,000 (each)

SITUATION CARDS

RECEIVE A PAY RAISE + \$50 A MONTH	MAJOR APPLIANCE BREAKDOWN - \$200
ROOF LEAKS - \$800	FIRE DAMAGE TO HOUSE - \$100
FAMILY MEMBER IS ILL - \$500	1 BREADWINNER IS ILL - \$500 & - 1 MONTH PAY
PROFITABLE GARAGE SALE + \$150	IMPULSE LUXURY PURCHASE - \$300
PAY INCOME TAX - \$200	INCOME TAX REFUND + \$200
HOLIDAY BONUS + \$1,000	REMODEL HOUSE - \$2,000
CAR BREAKDOWN - \$300	BUY A NEW CAR \$10,000

PLUMBING PROBLEM - \$600	FAMILY MEMBER NEEDS GLASSES - \$100
NEW BABY IF MOM WORKS, - HER PAY IF INSURED, - \$1,000 IF UNINSURED, - \$3,500 (IF NO PREVIOUS CHILD, - \$1,000 CLOTHES, FURN.)	IF HAVE YOUNG CHILD, DAYCARE INCREASES RATES - \$50 MONTH
FAMILY MEMBER TAKES MUSIC LESSONS, - \$20 A MONTH	1 BREADWINNER LOSES JOB - 6 MONTHS PAY
MOVE TO ANOTHER CITY - \$2,000	SELL A MAGAZINE ARTICLE + \$500
CHILD GOES TO PRIVATE SCHOOL OR COLLEGE, - \$3,000 A YEAR	WIN A CASH PRIZE + \$1,000
RECEIVE AN INHERITANCE + \$10,000	GO ON VACATION - \$3,000
BUY NEW FURNITURE - \$2,000	RECEIVE CASH GIFT + \$500

MANAGING INCOME

UNIT II

JOB SHEET 2--RECONCILE A MONTHLY BANK STATEMENT

Directions: Compare the check book register you completed for Assignment Sheet 4 with Jim and Sue's bank statement. Using the worksheet provided, follow the steps below to reconcile the bank statement.

(NOTE: Assignment Sheet 4 must be completed before beginning Job Sheet 2.)

I. Bank Statement Balance:

- A. Fill in the balance from the statement in the left-hand column of the worksheet provided.
- B. Jim and Sue made a deposit of \$397.00 on February 28. Add this amount to the bank statement balance.
- C. Checks issued on February 20, 27, 28, and 29 have not been paid as of the bank statement. List these checks and find the total on the form.
- D. Subtract the total amount of checks which were issued but did not appear on the statement.

II. Check Book Balance:

- A. Fill in the balance from the check book register in the right-hand column of the worksheet.
- B. Jim and Sue made a deposit of \$397.00 on February 28. Add this amount on the worksheet.
(NOTE: This deposit should also be added to the check book register.)
- C. Jim and Sue were charged for services on their account. Subtract this amount.

III. Reconciliation:

The bank statement balance on the left should be the same as the check book balance on the right. This is the correct amount of money that Sue and Jim now have in the bank.

Name: _____

Civic Town Bank

CHECKING ACCOUNT STATEMENT

James and Sue Parker
3322 Elm Street
Civic Town, MO 88800

ACCOUNT NUMBER

342-541-91

STATEMENT DATE

01-20 to
02-20

FDIC

DATE	CHECKS AND OTHER DEBITS	DEPOSITS AND OTHER CREDITS	BALANCE
02-02	35.00		2,431.00
02-06	18.00		2,413.00
02-06	270.00		2,143.00
02-12	60.00		2,083.00
02-14	2.50 SC		2,080.50
02-15	28.00		2,052.50
02-18	85.00		1,967.50

BALANCE FROM PREVIOUS STATEMENT	TOTAL DEBITS		TOTAL CREDITS		SERVICE CHARGE	BALANCE THIS STATEMENT
	NUMBER	AMOUNT	NO.	AMOUNT		
2,466.00	6	496.00	0	0	2.50	1,967.50

CC-CERTIFIED CHECK
CM-CREDIT MEMO
CX-CHECK REVERSAL

DM-DEBIT MEMO
DX-DEPOSIT REVERSAL
E-ERROR CORRECTION

HC-HANDLING CHARGE
LS-LIST OF CHECKS
OD-OVERDRAWN

RT-RETURN ITEM
SC-SERVICE CHARGE

You Can Easily BALANCE YOUR CHECK BOOK

Fill In Below Amounts From Your Check Book And Bank Statement

Balance Shown on
Bank Statement: \$ _____

Add Deposits
Not on Statement: \$ _____

Total..... \$ _____

Subtract Checks
Issued but Not
on Statement:

\$ _____

Total..... \$ _____
Balance..... \$ _____

Balance Shown in
Your Check Book: \$ _____

Add any Deposits
Not Already Entered
in Check Book: \$ _____

Total..... \$ _____

Subtract Service Charges
and other Bank Charges
Not in Check Book:

\$ _____

Total..... \$ _____
Balance..... \$ _____

These totals represent the correct amount of money you have in the bank and should agree.
Please examine your statement promptly and report any errors immediately.

Name: _____
Point Value: _____
Points Earned: _____

MANAGING INCOME

UNIT II

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|--------------------|-----------------------------|
| a. cancelled check | d. flexible expenses |
| b. fixed expenses | e. reconcile bank statement |
| c. bank statement | f. budget |
-
- | | |
|-------|---|
| _____ | 1. Costs which recur throughout a time period and remain almost the same. |
| _____ | 2. Check which has been cashed, processed by the bank, and returned to the account holder. |
| _____ | 3. Plan for managing money based on financial goals and priorities and on expected income and expenses. |
| _____ | 4. Comparing personal account totals with the bank account totals to achieve matching totals. |
| _____ | 5. Costs which vary over time. |
| _____ | 6. A report provided by the bank with information concerning deposits, checks paid, and any applicable service charges. |

Part Two: Multiple Choice

Directions: For each of the questions below, choose the one best answer by circling the letter of the correct statement.

7. To determine income, refer to all of the following except:
- a. Previous year's income tax
 - b. Take-home pay
 - c. Monies earned by all household members
 - d. Deductions from pay
 - e. Additional income, such as bonuses, interest earned

8. When balancing income with expenses, most families tend to use the:
 - a. Method their parents used
 - b. Method recommended by Dow-Jones
 - c. Method most appropriate to their situation
 - d. Bank statement method
 - e. Method most popular in the community
9. In order to assure that bills can be paid promptly, families need to:
 - a. Decide who is responsible for paying bills
 - b. Have a well planned budget
 - c. Keep accurate records of income and expenses
 - d. All of the above
 - e. None of the above
10. Families should openly discuss how money is spent so that:
 - a. Bills will be paid on time
 - b. Excessive debt can be ended
 - c. All know how resources are used and goals reached
 - d. Gross National Product will not decrease
 - e. Arguing and disagreement can be eliminated
11. To reconcile a bank statement, it is best to have:
 - a. Check stubs and bank statement
 - b. Check register and bank statement
 - c. Cancelled checks and bank statement
 - d. Check stubs, cancelled checks, and check register
 - e. Cancelled checks, check register, and bank statement
12. Which of the following is a characteristic of effective budgeting software?
 - a. Requires only one menu
 - b. Requires knowledge of computer programming
 - c. Provides a fixed system of budgeting
 - d. Includes many detailed directions for use
 - e. Can be adapted as goals change

Part Three: Matching

Directions: Indicate whether the following are fixed or flexible expenses by writing "a" beside items which are fixed expenses and "b" beside items which are flexible expenses.

a. Fixed expenses

b. Flexible expenses

- _____ 13. Insurance
- _____ 14. Food
- _____ 15. Loan payments
- _____ 16. Regular savings
- _____ 17. Clothing
- _____ 18. Personal care
- _____ 19. Emergency savings
- _____ 20. Rent payments

Directions: Match the methods of balancing income and expenses with descriptive statements by writing the letter for the method beside each statement that accurately describes the method.

a. Pooling income

c. Independent accounts

b. Proportional distribution

d. Splitting expenses

- _____ 21. Individuals earning a smaller income have less spending money than those earning more.
- _____ 22. Family members decide who should be responsible for various expenses.
- _____ 23. This plan does not allow for independent spending.
- _____ 24. Each family member contributes to the family budget by providing a portion of his/her income.
- _____ 25. Each family member's contribution is considered of equal value.
- _____ 26. Family members decide how much money they wish to pool from their incomes.
- _____ 27. All family members deposit earnings in a joint checking and savings account.
- _____ 28. Each wage-earner establishes his/her own separate account for independent purchases.

Part Four: Short Answer

Directions: Write your answer to each of the following questions.

29. List three categories included in a typical household budget.

- a. _____
- b. _____
- c. _____

30. State three reasons for budgeting.
- a.
 - b.
 - c.
31. Describe one way families might plan for bill payment.
32. Explain the need for reconciling bank statements.
33. Jane is setting up a household record keeping system. Recommend an efficient filing procedure she could use.
34. List three kinds of information that should be kept with the household records.
- a. _____
 - b. _____
 - c. _____
35. Two different families with exactly the same income and number of family members manage their income and expenses in completely different ways. What might account for this difference in money management styles?

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

36. Complete money management terms puzzle (Assignment Sheet 1).
37. Check your money management values (Assignment Sheet 2).
38. Prepare a budget (Assignment Sheet 3).
39. Record checking expenses and deposits and compute correct balance (Assignment Sheet 4).
40. Set up a system for keeping household records (Assignment Sheet 5).
41. Manage income and expenses for a family (Job Sheet 1).
42. Demonstrate the ability to reconcile a monthly bank statement (Job Sheet 2).

MANAGING INCOME

UNIT II

ANSWERS TO TEST

Part One

- | | |
|------|------|
| 1. b | 4. e |
| 2. a | 5. d |
| 3. f | 6. c |

Part Two

- | | |
|------|-------|
| 7. d | 10. c |
| 8. a | 11. e |
| 9. d | 12. e |

Part Three

- | | |
|-------|-------|
| 13. a | 21. b |
| 14. b | 22. d |
| 15. a | 23. a |
| 16. a | 24. b |
| 17. b | 25. a |
| 18. b | 26. c |
| 19. a | 27. a |
| 20. a | 28. c |

Part Four

29. Any three of the following in any order:
housing (rent/mortgage), food, transportation, clothing, utilities, health care, insurance, medical, leisure, savings
30. Any two of the following in any order:
Because most people have limited incomes, budgeting is necessary to achieve goals.
When money is spent on some items, there is less money for other items.
Budgets encourage careful, disciplined spending and reduce waste or unnecessary expenses.
Budgeting requires that priorities be set.
Budgeting helps people to analyze the decisions they make.
Budgeting helps to prevent unlimited spending which could lead to financial disaster.
When all members of a family are involved in preparing a family budget, quarrels over money can be reduced.
31. One of the following:
share responsibility
trade-off responsibility (one person pays bills one month, another person pays bills another month)
32. Helps the account holder know how much money is in his/her account; helps an individual make decisions about restructuring his/her budget

33. Any three of the following in any order:
cancelled checks, bank statements, income statements (W-2, 1099 forms), insurance policies, investment statements, home improvements, tax deduction items, large purchases, credit card information, tax returns, valuables, contracts, warranties, service contracts, loans, securities/property ownership (car titles, stock certificates, deeds, bonds), personal records (marriage license, birth certificate, military records, educational records), wills, household inventory
34. Any one of the following:
alphabetical files, subject file, numerical file, personally designed system
35. Answers will vary. Suggestions include but are not limited to:
Family members' ages
Family experiences
Family attitudes and values
Family likes and dislikes
Family interests
- 36-40. See Answers to Assignment Sheets.
41. Answers will vary. Evaluated to the satisfaction of the teacher in accordance with evaluation criteria provided on the Job Sheet.
42. Form completed as follows:

You Can Easily BALANCE YOUR CHECK BOOK			
Fill In Below Amounts From Your Check Book And Bank Statement			
Balance Shown on Bank Statement:	<u>\$ 1,967.50</u>	Balance Shown in Your Check Book:	<u>\$ 1,450.00</u>
Add Deposits Not on Statement:	<u>\$ 520.00</u>	Add any Deposits Not Already Entered in Check Book:	<u>\$ 520.00</u> <u>1,970.00</u>
Total.....	<u>\$ 2,487.50</u>	Total.....	\$ _____
Subtract Checks Issued but Not on Statement:	<u>\$ 12.00</u> <u>235.00</u> <u>55.00</u> <u>218.00</u>	Subtract Service Charges and other Bank Charges Not in Check Book:	<u>\$ 2.50</u>
Total.....	<u>\$ 520.00</u>	Total.....	<u>\$ 2.50</u>
Balance.....	<u>\$ 1,967.50</u>	Balance.....	<u>\$ 1,967.50</u>

These totals represent the correct amount of money you have in the bank and should agree.
Please examine your statement promptly and report any errors immediately.

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to select health and grooming supplies, plan and make clothing purchases, and care for clothing. Competencies will be demonstrated by correctly performing the procedures outlined in the Assignment and Job Sheets and by achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, MATCH TERMS AND DEFINITIONS RELATED TO CLOTHING, HEALTH AND GROOMING PRODUCTS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline and Transparency Masters 1, 2, and 3, DEMONSTRATE ABILITY TO SELECT HEALTH CARE PRODUCTS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2, 3, or Job Sheet 1.
3. Based on the content outline and Transparency Masters 4 and 5, DEMONSTRATE ABILITY TO SELECT PERSONAL GROOMING PRODUCTS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2, 4, Job Sheet 1 or 2.
4. Based on the content outline, IDENTIFY FACTORS WHICH INFLUENCE CLOTHING EXPENDITURES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 3 or 4.
5. Based on the content outline, RECOGNIZE REQUIREMENTS OF CLOTHING-RELATED LAWS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5.
6. Based on the content outline, DEMONSTRATE ABILITY TO SELECT WOMEN'S CLOTHING by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 3, 4, or 5.
7. Based on the content outline, DEMONSTRATE ABILITY TO SELECT MEN'S CLOTHING by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 3, 4, or 5.

8. Based on the content outline, DEMONSTRATE ABILITY TO SELECT CHILDREN'S CLOTHING by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 5.
9. Based on the content outline, DEMONSTRATE ABILITY TO MAINTAIN CLOTHING WITH APPROPRIATE LAUNDRY SERVICE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6 or 7.
10. Based on the content outline, DEMONSTRATE ABILITY TO MAINTAIN CLOTHING WITH APPROPRIATE ALTERATIONS AND SEWING SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 7.

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss Unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.
- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Compare generic and brand name drugs on the market by surveying the local drugstores.
3. Review advertisements for health care products and evaluate their authenticity.
4. Compare the durability of two similar items available in clothing stores and determine the better buy.

- I. Give test.
- J. Evaluate test.
- K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 - 1. TM 1--Questions to Ask When Given a Prescription by the Doctor
 - 2. TM 2--Sample Over-the-Counter Products
 - 3. TM 3--Contact Lens Use and Care
 - 4. TM-4--Cosmetic Safety Rules
 - 5. TM-5--Sun Protection Based on Skin Type
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- E. Handouts
 - 1. HO 1--Fiber Characteristics
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- F. Assignment Sheets
 - 1. Assignment Sheet 1--Complete Personal Grooming and Clothing terms Puzzle
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- G. Answers to Assignment Sheets
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 - 4. Job Sheet 4--Compare Clothing Items
 - 5. Job Sheet 5--Select Family Clothing
 - 6. Job Sheet 6--Demonstrate Clothing Maintenance in a Laundromat Skit
 - 7. Job Sheet 7--Arrange for Clothing Related Services
- I. Unit Test
- J. Answers to Test

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Meeting Personal Grooming and Clothing Needs Unit III

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1-14	
C.1.	2	TM 1, 2, 3		AS 2, 3	JS 1	15-21, 53	MIXH3; SSXM3
C.1.	3	TM 4, 5		AS 2, 4	JS 1, 2	22	MIXH3; SSXM3
*	4				JS 3, 4	54	
*	5			AS 5		27-33	
C.2., 3.	6	TM 6	HO 1, 2		JS 3, 4, 5	23, 34-42, 55	MIXH3; SSIXM3
C.2., 4.	7	TM 6	HO 1, 2		JS 3, 4, 5	23, 34-42, 55	MIXH3; SSIXM3
C.2., 5.	8	TM 6	HO 1, 2		JS 5	24, 34-42, 56	MIXH3; SSIXM3
C.6.	9		HO 1, 2		JS 6, 7	25, 43-52	
C.6, 8.	10				JS 7	26, 57	

*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT I

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1; AS 1]

- A. Bleach--a whitening agent designed to make clothes look brighter.
- B. Cardiovascular system--the unified system of the heart and blood vessels which act together to circulate blood throughout the body.
- C. Cosmetics--products applied to the body to change appearance or enhance attractiveness.
- D. Dermatitis--inflammation of the skin.
- E. Drug--a substance taken to affect any function of the human body; to prevent, relieve, or cure illness; or ease symptoms.
- F. Detergent--water-soluble chemicals designed to remove oil and dirt and hold it in suspension.
- G. Durability--the extent to which a product will continue to perform its function over time.
- H. Fabric softener--chemical agent designed to make fabric feel more comfortable, reduce wrinkles and static.
- I. Generic drug--a drug identified by its class name or chemical content rather than by a trademark name.
- J. Microorganism--a microscopic animal or vegetable such as bacteria, protozoan, virus.
- K. Ophthalmologists--medical doctors who are qualified to treat all conditions of the eye. They are licensed to measure how well an individual sees and to prescribe glasses. Ophthalmologists are also licensed to treat diseases of the eye and perform eye surgery.
- L. Opticians--individuals who prepare and dispense lenses and eyeglasses according to the prescription of an ophthalmologist or optometrist.

- M. Optometrists--graduates of schools of optometry. They are licensed to measure vision, to prescribe glasses, and to perform other nonmedical measures. They are not medical doctors and are not trained to treat diseases of the eye.
- N. Quack--a drug or device which falsely claims to cure or prevent a condition; a fake.
- O. Over-the-counter drug (OTC)--any drug that can be purchased without a doctor's prescription.
- P. Side-effect--any effect of a drug on the human body other than those for which it was taken.
- Q. Soap--cleaning agent made of fat, sodium, and potassium which reacts in water to remove soil
- R. Thermal balance--the use of textile fibers to keep the body from becoming too hot or too cold in the environment in which individuals must function.
- S. Thermal conductivity--a fabric's ability to transfer heat from one side of a fabric to the other.
- T. Thermal resistance--a fabric's ability to prevent the flow of heat from one side of a fabric to the other.

II. Select health and personal grooming supplies.

[Objectives 2,3; TM 1-5; AS 2-4; JS 1,2]

A. Prescription drugs

- 1. Can be obtained only under the supervision of a physician
- 2. Must not be taken along with other drugs without the knowledge and consent of the physician; Many drugs may cause serious and even life-threatening side effects when taken in combination with other drugs.
(NOTE: Alcohol is a drug. It should not be taken with prescription drugs.)
- 3. Must not be taken by anyone other than the person for whom the prescription was intended
- 4. Questions the consumer should ask when given a prescription by the doctor:
 - a. What is the name of the drug prescribed?
 - b. For what is this medicine being prescribed?
 - c. How often should this medicine be taken and for how long?
 - d. Should any food or beverage be avoided while this medicine is being taken.

- e. Is it safe to take this medicine with other medicines currently being taken?
 - f. Should this medicine be taken before, after, or away from meals?
 - g. Are there side effects that might occur with this medication and, if so, what should be done about them? Should the doctor be consulted? Should the medicine be discontinued?
 - h. Is this medicine available under a generic name?
5. If the medicine does not provide the expected relief, contact the doctor.
 6. Do not discontinue taking the medicine before the recommended time because the symptoms are relieved.
(NOTE: An illness may reoccur if medication is discontinued before the recommended time.)

B. Over-the-counter drugs

1. Over-the-counter (OTC) drugs are available to consumers without prescription.
2. Television advertising provides the chief source of information concerning these products.
(NOTE: Such advertising may be unreliable, unclear, or misleading since it is presented for profit.)
3. Guidelines for purchasing:
 - a. Read the label carefully to:
 - 1) Be sure the drug is appropriate for the symptoms.
 - 2) Be sure the drug will not interact in a harmful manner with any other medications you may be taking.
 - 3) Determine when and how often to take the drug.
 - 4) Determine when to discontinue using the drug.
 - b. Ask the advice of the pharmacist if you have questions about a particular drug or which drug to use.
4. Federal law requires that information such as the following be placed on the label:
 - a. Name of product
 - b. Quantity of the product
 - c. Source of product (name, address of manufacturer)
 - d. Directions for use such as:
 - 1) Size of dose
 - 2) Frequency of use
 - 3) Total amount to be taken in one day
 - 4) Length of time to use product

- 5) Special warnings or signs to look for when using product
- 6) Possible side effects from use, i.e., drowsiness, upset stomach
- 7) Expiration date when product is no longer usable

C. Generic versus brand name drugs

1. The generic name refers to the class or kind of drug. It is often the chemical name.
2. The brand name is made up and given to a drug by the manufacturer. It may or may not give an indication of the chemical content.
3. Examples from both categories include:

<u>Generic Name</u>	<u>Brand Name</u>
magnesium and aluminum hydroxide	Maalox, Mylanta, Gelusil
penicillin	Bicillin
acetaminophen	Tylenol, Panadol, Datril
acetylsalicylic acid, aspirin	Bayer Aspirin, Norwich Aspirin, Ecotrin

4. Standards which establish the identity, purity and strength of drugs are listed in the United States Pharmacopeia (USP) and the National Formulary (NF) which have now merged into one volume.
(NOTE: Drugs which meet these standards are marked with a symbol indicating that the drugs meet the USP/NF standards.)
5. Consumers Union has reported that brand name drugs cost more than generic drugs.
(NOTE: Consumers need to ask physicians to prescribe in both the brand name and generic name in order to have a choice. Consumers should shop around to get the best price.)

D. Health care devices

1. Products which do not use chemical action (taken internally) to achieve their specific purpose
2. Includes mechanical appliances and equipment such as hearing aids, home test kits, heating pads, muscle development machines, sunglasses and thermometers
3. Health care devices must be approved by FDA before they can be sold on the open market.

E. Vision aids

1. Vision problems require an examination by a trained individual, such as an ophthalmologist or optometrist, who tests for near and far sightedness, astigmatism, glaucoma, and other eye conditions.
2. Glasses
 - a. Buying ready-to-wear glasses or purchasing glasses by mail may give less than desired results.
(NOTE: Each human eye is different and lenses need to be made to fit each eye's specifications.)
 - b. Corrective glasses may be prescribed by an ophthalmologist or an optometrist.
 - c. Lenses in glasses may be glass or plastic.
 - d. Glass lenses should be shatterproof for eye protection.
 - e. Plastic lenses may be coated for scratch resistance.
3. Contact lenses
 - a. May be hard, soft/gel, gas permeable, long wearing, tinted, or a combination of these and other characteristics.
 - b. Individuals who should not wear such lenses include:
 - 1) Those who have dry, inflamed, or infected eyes
 - 2) Those who work in dusty environments or in high temperatures or who are exposed to chemicals in the air
 - c. People with chronic health problems (diabetes, epilepsy, heart disease, allergies, arthritis, hand tremors) should consult their physicians before considering contact lenses.
 - d. Numerous precautions related to care and cleaning should be followed.
 - e. Advancements in the development of contact lenses are making them easier to use and care for as well as appropriate for more people.
4. Sunglasses
 - a. Natural gray or smoke tints are best for normal vision.
 - b. Curved lenses give more complete eye coverage.
 - c. Polarized glasses reduce glare.
 - d. Check to see if glasses are impact resistant and free of flaws.
(NOTE: Since 1972, the FDA has required that most lenses be impact resistant.)

- e. Common types of lenses include:
 - 1) Ambermatic: color density changes--gray on cold days, amber on overcast days, brown on sunny days.
 - 2) Gradient: colorless or pale at the bottom of the lens, becoming darker toward the top.
 - 3) Gradient-density mirrored: used for water or snow activities when glare is a problem; lens is covered by a chrome-nickel alloy.
 - 4. Photochromatic: lenses which become lighter or darker depending on the amount of ultraviolet light available.
(NOTE: These give little protection in cars since ultraviolet light does not easily pass through car windows.)
- f. Prescription glasses may be professionally coated for use as sunglasses.

F. Hearing aids

- 1. Many people purchase hearing aids when medical treatment is needed to solve their problem.
- 2. No aid can fully compensate for hearing loss.
- 3. Many types and styles of hearing aids exist. Information is limited on all of these, making purchase decisions difficult.
- 4. Many hearing aids are unreliable.
- 5. Most insurance policies do not completely cover the costs of hearing aids.
- 6. Federal regulations now require that:
 - a. Individuals have a physician's certification prior to purchasing a hearing aid unless the individual waives this requirement.
(NOTE: The evaluation must have occurred within six months of purchase.)
 - b. Consumer must be provided with information on how the product works.
 - c. Sellers of hearing aids must keep records for three years after the sale, including the individual's waiver that they did not need a physician's examination or statement.
 - d. Sellers of hearing aids may not encourage purchasers to waive medical examinations.
- 7. If purchasing a hearing aid from a dealer, be sure the dealer:
 - a. Is a member of the National Hearing Aid Society
 - b. Is a member of the local and state hearing aid societies or organizations
 - c. Is licensed, if required by your state
 - d. Provides a warranty or guarantee
 - e. Provides rapid/efficient repair service

- f. Includes the cost of the ear mold in the price of the aid
 - g. Provides a loaned hearing aid while yours is being repaired
 - h. Discloses the finance charges, the percentage rate, and total cost of any credit plan
- 8. For additional information contact:
 - a. National Hearing Aid Society, 20361 Middlebelt, Livonia, MI 48152
 - b. Better Hearing Institute, 1430 K St. N.W., Washington, D.C. 20005 (800/424-8576)

G. Cosmetic safety

- 1. Cosmetics may cause skin reactions in some people.
- 2. Contamination of a cosmetic can occur through use. (NOTE: For this reason it is important that cosmetics not be shared among individuals.)
- 3. Follow safety rules when using cosmetics. (See TM 4 for cosmetic safety guidelines.)

H. Deodorants and antiperspirants

- 1. Deodorants mask body odor while antiperspirants have an astringent quality which reduces secretions from the eccrine glands which produce perspiration.
- 2. Antiperspirants vary in their effectiveness. (NOTE: These products should not be used if the individual suffers from excessive perspiration; if a strong, offensive odor is in the individual's perspiration; or if colored sweat is excreted. These indicate medical conditions for which a physician should be consulted.)

I. Hair and scalp preparations

- 1. Shampoos tend to leave hair cleaner and shinier than soap.
- 2. Shampoos are typically made of a sudsing agent, synthetic detergent, fragrance, and other substances such as aloe, lanolin, vitamins, and protein.
- 3. Shampoos with lanolin or that retain natural oils are recommended to keep hair soft and shiny.
- 4. Additives incorporated into shampoos generally have little effect on hair.
- 5. Washing the hair once or twice a week is generally sufficient to clean the scalp, depending on degree of oiliness.
- 6. There is no over-the-counter preparation which restores lost hair.

(NOTE: Chemical products are constantly being tested to find one which restores hair.)

7. Some individuals may have an allergic reaction to some dyes and bleaches.

(NOTE: Follow the suggestions for the skin patch test recommended on TM 5 whenever there is concern about a possible reaction to a particular product.)

8. Be sure to carefully read the label for warnings concerning some dye products.

(NOTE: Coal-tar dyes in some of these preparations have caused cancer in laboratory animals and should be avoided.)

J. Skin creams

1. Skin creams are used to soften and cleanse the skin.
2. Such creams may be made of mineral oil, soap, emulsifier, beeswax, and water.
3. Many other ingredients may be added to creams, and may thus increase the product's price. Despite claims to the contrary, these additives often have no special beneficial properties.
4. Wrinkle creams do not prevent aging.

K. Acne products

1. Acne is a disorder of the subcutaneous glands which produce oil. At puberty these glands begin to increase in size as well as activity. They can become easily infected, resulting in pimples or boil-like lesions.
2. The condition cannot be prevented or cured.
(NOTE: Medications have been developed which reduce the severity of the condition.)
3. Dermatologists recommend washing the face several times a day to remove oils and dead surface skin.
(NOTE: Physicians may recommend special soaps for this purpose; many are available over-the-counter.)
4. Ultraviolet light may be used to help dry the skin.
5. Products which have been accepted as helpful for the condition include:
 - a. Sulfur
 - b. Resorcinol
 - c. Benzoyl peroxide (the strongest compound used of this series)
 - d. Salicylic Acid
(NOTE: All of these compounds cause inflammation and peeling.)

6. A topical ointment containing Vitamin A may be used alone or in combination with other agents, such as antibiotics. Vitamin A is used to promote repair of skin and prevent scarring; there is no evidence that it prevents or cures acne.
7. Although there is currently no evidence that antibiotics cure or prevent acne conditions, tetracycline may be used to treat a superimposed infection that is often present with acne conditions.
8. If the case is serious enough, a physician may prescribe treatments including application of an ointment designed to expel blackheads; antibiotics such as tetracycline; or one or more of the products identified above (such as benzoyl peroxide).

L. Sun protectors

1. Excess exposure to the sun may cause skin problems such as wrinkles and skin cancer.
2. The FDA has established a standard for tanning products known as the "sun protection factor" (SPF). The higher the SPF, the greater the protection value of the product.
3. Consumers should choose a product that will protect their skin type. (See TM 5 for guidelines.)

M. Physical fitness aids

1. There has been an explosion in the availability and popularity of physical fitness machinery of many kinds.
2. Consult with a physician before beginning an exercise program, and follow his/her guidelines.
3. Avoid using flimsy or poorly constructed equipment which could lead to physical injury.
4. Follow appropriate safety precautions for the equipment used.
5. Use proper support equipment, such as protective helmets, guards, gloves, and pads, which are designed to prevent injury.
6. An exercise program should begin slowly and gradually increase in difficulty and duration.
7. Warm up before working out.
8. Exercise properly year-round. After a period of inactivity, resume exercise slowly and cautiously.
9. Get adequate sleep, a proper diet, and adequate fluids.
11. If something hurts, find out what it is and treat it properly.

(NOTE: This may require the expertise of a coach, sports-medicine doctor, orthopedic surgeon, and/or physical therapist.)

N. Typical home gym equipment

1. Stationary bikes vary in complexity from the simplest to those which include ergometers (which register how fast the user's heart is beating and how many calories are consumed). Some even include a stand to hold books or magazines.
2. Rowing machines
3. Weights range from a variety of small dumbbells to weight packs that attach to wrists and ankles and add resistance to make other exercises more effective.
4. Jump ropes
5. Fitness computers perform such functions as monitoring heart rate and recording calories burned and consumed.

O. Quack health schemes and products

1. Fake medical devices are widely advertised and available. Removing these products from the market requires costly and time-consuming legal action through the courts.
2. When to suspect a quack health product:
 - a. Quick and easy cures and physical changes are promised.
 - b. A product is promoted as being good for a wide variety of problems.
 - c. A product is advertised to treat a condition for which medical science has not found a treatment.
 - d. The sponsor claims persecution by the medical community and the government.
 - e. The product is advertised as special or secret and not available from any other source.
 - f. Many case histories and testimonials from grateful ex-patients are cited.
 - g. The product is only available by mail order with payment in advance.
 - h. The product is sold or promoted exclusively in popular magazines.
3. The FDA has described general categories of quack medical devices. These include:
 - a. Figure enhancers
 - b. Electrical sleep aids
 - c. Hair replacement devices
 - d. Youth prolongers

- e. Respiratory, pure air and water devices to cure disease
- f. Disease diagnosers
- g. Cure-alls
- 4. Hazards of quack medical devices
 - a. Direct health hazards--some products are harmful when used as directed in the labeling or advertising.
 - b. Indirect health hazards--some products have no direct harmful effect, but their use may delay or replace proper medical care when it is really needed.
 - c. Economic frauds--some products present no direct health risk, but are a complete waste of money.
- 5. Who to contact if in doubt about a product:
 - a. Your family doctor
 - b. For devices used for specific diseases, contact organizations in that medical field, i.e., American Cancer Society, Arthritis Foundation.
 - c. The Better Business Bureau, State Consumer Protection Agency or State Attorney General, U.S. Postal Service, or the Food and Drug Administration--these agencies can also tell you if they have had complaints about a product or its promoter.
 - d. Consumer advice columns in newspapers

III. Select clothing.

[Objectives 4-8; TM 6; AS 5; HO 1,2; JS 3-5]

A. American clothes consciousness

- 1. The average homemaker spends about 100 hours per year shopping for clothes.
- 2. Typical Americans have more clothes than they need.
(NOTE: Clothing is not only a necessity, but also a source of pleasure to the wearer.)
- 3. The types of clothes we wear are determined by custom.
- 4. Clothing enhances our self image.
- 5. Clothing reflects our ideas and values.
- 6. Clothing may identify us with specific groups.

B. Role of clothing within families

- 1. Clothing is a significant factor in any family's budget.

(NOTE: Numerous conflicts can arise in families that have not set clear guidelines for how the clothing dollar will be divided among all family members.)

2. Family clothing practices can contribute to family esteem.

(NOTE: Adult family members who approve of the way their children dress feel a greater sense of unity within the family than do those who do not approve of the way their children dress.)

3. Among the factors which influence family expectations about clothing are the number of family members, the age of each member, the emphasis placed upon clothing based on the family's social status, and the family's income level.
4. The percentage of family income spent for clothing has decreased in the past decade due to increased costs for food, energy and shelter.
5. Clothing expenditures for females typically tend to be greater than those for males.
6. About half of the clothing dollar is spent for outerwear, with the remainder spent on footwear, underwear, sleepwear, hosiery, etc.

C. Consumer protection

1. Fabric flammability
 - a. The Flammable Fabrics Act protects consumers from fire hazards by requiring that flammability standards be met for children's sleepwear and general wearing apparel.
 - b. The Consumer Product Safety Act of 1972 created the Consumer Products Safety Commission (CPSC) which enforces the Flammable Fabrics Act and sets standards for the safety of consumer products.
2. Labeling required by the Federal Trade Commission
 - a. Wool Products Labeling Act
 - 1) Passed in 1939
 - 2) Requires manufacturers to label the types of wool used in products and any other fibers which make up five percent or more of fabric content
 - 3) Defines the following terms within the Act:
 - a) Virgin Wool: wool which has not been used in another product's construction
 - b) Reused Wool: fibers which were used in one product are reused in another
 - c) Reprocessed Wool: fibers used previously in a woven or felted

- product that consumers have never used
 - 4) Grants the authority to issue cease-and-desist orders to a manufacturer involved in illegal activity
 - b. Textile Fiber Products Identification Act
 - 1) Passed in 1960
 - 2) Requires the following information on labels:
 - a) Fiber content (listed in order of predominance by weight)
 - b) Percentage of fiber content if fiber makes up five percent or more of product's weight
 - c) Manufacturer's name
 - d) Imported fiber's country of origin
 - 3) Information provided helps consumer if they are knowledgeable of fibers, fabric structures, and finishes applied to fabrics.
 - c. Fur Products Labeling Act
 - 1) Passed in 1951
 - 2) Requires specification of the following information:
 - a) Whether fur is dyed or treated
 - b) Whether garment is made from fur scraps
 - c) Fur product's country of origin
 - 3) Designed to prevent false labeling as well as advertising
 - d. Permanent Care Labeling Act
 - 1) Passed in 1972
 - 2) Requires that labels be attached as a permanent part of the garment
 - 3) Requires that labels provide specific care instructions to maintain product quality
 - 4) Labels are also available to home sewers to attach to garments they make.
 - 5) The Federal Trade Commission continues to seek more accurate care labeling.
- 3. Synthetic fabric
 - a. Many synthetic fabrics are on the market today.
 - b. The consumer needs to know the properties of synthetic fabric in order to make adequate choices.
 - c. Additional information on synthetic fabrics can be secured from:
 - 1) Man-Made Fiber Producers Association, Inc. 1150 17th Street, N. W., Washington, D.C. 20036
 - 2) Fibers and Fabrics, NBS Consumer Information Series, The National Bureau

D. Points to consider when selecting clothing

1. Durability
 - a. The clothing industry has been accused of building planned obsolescence into its goods.
 - b. When consumers choose clothing mainly for its durability, they may pay more.
 - c. Durable clothing may require more costly upkeep, such as dry cleaning or other special treatments.
 - d. The frequency with which you expect to wear the garment may influence the amount you wish to pay for durability.
 - e. Durable clothing which can be worn for many seasons is considered more economical than faddish clothing which goes out of style relatively quickly.
2. Life style appropriateness, including work and leisure requirements
3. When buying garments, check for quality workmanship.
 - a. Collars: shape, placement, smoothness, roll, weight
 - b. Sleeves: roomy, seam placement, length, curve, cap fullness, grain
 - c. Waistlines: flat, smooth, retains shape
 - d. Hems: inconspicuous, even, proportional, sufficient weight, smooth, graded at seams
 - e. Closures: smooth, flat, inconspicuous, appropriate placement
 - f. Seams: adequate seam allowance, finished edges
4. When choosing garments examine such features as:
 - a. Coats
 - 1) Hang straight, no wrinkles/bulges
 - 2) Armholes: non-binding, permit free movement
 - 3) Sleeve length: comes to wristbone when arm is bent
 - 4) Cuffs: end just below wrist bone and have sufficient length to permit ease of movement
 - b. Pants
 - 1) Snug fit at waist, ample crotch area, no wrinkles when standing or walking
 - 2) Length: Meets top of shoe in front, no folds, hem lower in back than front
 - c. Shirts
 - 1) Vary widely in design, length, shape and fabric
 - 2) Fabric cut on grain

- 3) Even points and uniform stitching on collar
- 4) Small, flat seams--no puckers
- 5) Evenly stitched pockets with reinforced corners
- 6) Buttonholes reinforced at each end
- 7) Deep yolk, curved at back

E. Select women's and men's clothing.

1. Plan the direction you wish your wardrobe to take. Consider the following in terms of your life style and personality:
 - a. Color preferences
 - b. Formal versus informal; classic/tailored versus frilly/lacy
 - c. Money available for purchasing new clothes
 - d. Accessories
 - e. Solids versus print
 - f. Body type and size
 - g. Overall coordination; mix-and-match ability
2. Analyze existing wardrobe in terms of the decisions made above.

H. Choosing teenage clothing

1. As children age, their interest in clothing increases.
2. Because of variable growth rates, teenagers need to analyze their wardrobes more frequently and eliminate unused items.
3. Priorities need to be set for what can be purchased each season based upon available dollars.
4. The clothing plan:
 - a. Try to keep clothing general rather than buying many special occasion garments which are worn less (and thus, are relatively more costly).
 - b. Determine how much money to spend on outerwear, underwear, shoes and accessories.
 - c. Choose colors which mix and match well, such as brown, beige, navy rather than faddish colors which may not match as well and which will soon go out of style.
 - d. Choose fabrics which can be worn over several seasons such as denim, chino, corduroy.
 - e. Stress mix and match items to increase wardrobe versatility.
 - f. Limit items which require costly care such as dry cleaning.

- g. Limit items such as designer jeans unless you plan to get extended wear from them to compensate for their extra cost.
- h. Add emphasis to your wardrobe with inexpensive buckles, ties, scarves and jewelry.
- i. Analyze expenditures for special occasion clothing. For special events, instead of purchasing ready made clothes, accessorize creatively, borrow from others, or rent special clothing.

F. Select children's clothing.

1. Infant needs

- a. Clothing should provide comfort, safety and convenience.
 - 1) Clothes should be lightweight, warm, roomy, and non-irritating.
 - 2) Check that there are no loose buttons, snaps, or ties that can be put into the infant's mouth and cause choking.
 - 3) All infant clothes should be machine washable and easy care.
- b. Infants are easier to dress if garments open flat.
- c. Purchase garments somewhat larger than the infant's current size to allow for rapid growth.
- d. Select sufficient clothes for everyday needs. Recommended items include:
 - 1) 3-6 receiving blankets
 - 2) 3-4 nightgowns
 - 3) 2-3 blanket sleepers
 - 4) 4-6 undershirts
 - 5) 1 sweater and cap
 - 6) 1 comforter or warm blanket
 - 7) Cloth diapers: 3-5 dozen
 - 4-6 pairs waterproof pants
 - 4-6 diaper pins with safety heads

OR

Disposable diapers: 2-3 boxes on hand
(NOTE: the average child wears diapers for 28 months and uses, on average, 42 diapers/week or 4,704 diapers/28 months.)
- e. Use a variety of outlets to acquire infant clothes, i.e., specialty and discount stores, garage sales, trading clothing among friends and relatives.

2. Children's clothing

- a. Has social importance as well as utilitarian
 - 1) Should allow freedom to play
 - 2) Can promote social interaction if like others

- 3) Can help children learn about color and texture
- 4) Can promote self-esteem as children begin to make decisions about what they wear
- b. Choose garments with self-help features such as:
 - 1) Openings in front of garment or easy to pull-on styles
 - 2) Wide armholes
 - 3) Pull-on pants with sufficient leg width
 - 4) Large buttons with easy to open buttonholes that do not open while child is in action
 - 5) Attached belts, front zippers with large pull tabs, velcro fasteners
 - 6) Stretch fabrics
 - 7) Easily distinguished front and back
- c. Look for growth factors such as:
 - 1) Deep hems that can be let out
 - 2) Undefined waistlines or one piece garments
 - 3) Wide seams or tucks and folds that can be let out
 - 4) Adjustable cuffs
 - 5) Elastic inserts
 - 6) Adjustable fasteners
 - 7) Stretch or knit fabrics.
- d. Light colors that can be seen at night and reflective tape on clothing gives the child greater visibility.
- e. Shoes should be new for each child.
(NOTE: No two individuals have the same walking pattern or posture.)

IX. Maintain clothing.

[Objectives 9,10; HO 1,2; JS 6,7]

- A. Arrange for laundry service.
 1. Clothes may be either dry cleaned or washed by machine or hand.
 - a. Dry cleaning involves rinsing clothing in chemicals designed to remove grease and dirt.
 - b. Choose the cleaning method you will use by sorting your clothes based on their care labels.
 2. To dry clean your clothing you may use a coin operated service or the services of a professional dry cleaner.
(NOTE: Some garments should be professionally dry cleaned because they require special handling.)
 3. If you plan to launder your clothes you will need to sort them based on:

- a. The amount of soil
- b. How susceptible the item is to lint
- c. The fabric type
- d. The degree of fabric colorfastness
4. Some items may require pretreating to remove stains. Pretreating involves applying a solution to the fabric to remove heavy soils or stains.
5. Wash items of similar color together.
(NOTE: Some fabrics pick up color from other fabrics. If a garment is not colorfast, wash it separately.)
6. Before washing:
 - a. Close hooks and zippers to prevent snags.
 - b. Mend/repair clothing as necessary.
 - c. Pretreat spots and stains.
 - d. Empty all pockets.
 - e. Remove belts and tie loosely to wash.
7. Mix small and large items in the washer. This allows for easier movement of items and a cleaner wash.
8. Choose a wash cycle appropriate for your clothing.
 - a. Some fabrics require a gentle cycle which does not agitate or circulate clothes as much as a normal wash cycle does.
(NOTE: The greater the agitation, the cleaner the clothes.)
 - b. Choose the water temperature based on the kind of fabrics to be cleaned.
 - 1) Hot water cleans clothes better, but cool or cold water washes reduce wrinkling and fading.
 - 2) The last rinse in a load is usually cold to reduce garment shrinkage as well as hot water heating costs.
9. Cleaning and treatment products include detergents, soaps, pretreatments, fabric softeners, and bleaches.
 - a. Choose laundry products based on:
 - 1) How soiled the item is
 - 2) How susceptible the item is to lint
 - 3) The fabric type
 - 4) The degree of fabric colorfastness
 - b. Use the water temperature you desire to guide you in selecting products. A general detergent works best in hot water but can be used with other water temperatures. Some detergents are designed to work especially well in cold water.
 - c. Bleaches may be used to whiten clothing, brighten the colors, or remove mildew stains.
 - 1) Chlorine bleaches are strong. They whiten colors and disinfect clothing.
 - 2) Oxygen bleaches are milder to clothing.

They are frequently used on colored clothes.

(NOTE: Be sure that neither form of bleach is applied directly to the fabric.)

- d. Use a fabric softener to reduce wrinkles and make fabrics feel soft to the touch.
 - 1) Liquid fabric softener is used in the washer.
 - 2) Sheet (paper or sponge) fabric softener is used in the dryer.
 - e. A water softener can be used to prevent minerals in the water from staining or discoloring clothes.
10. Clothing can be dried in an automatic dryer, on a clothes rack, outdoor line, or a flat surface.
- a. Air drying removes odors and gives clothing a fresh smell.

(NOTE: Sunlight whitens and brightens colors.)
 - b. Automatic dryers are a convenience for many.
 - 1) Dryers have cycles for time length and degree of heat.
 - 2) Use an automatic dryer no longer than necessary to conserve energy and reduce wrinkling.
 - 3) Leave some dampness in clothing to reduce wrinkling after the clothes are hung up.
 - 4) Be sure to follow use and care instructions with an automatic dryer.
 - a) Remove as much moisture as possible from clothing before using the dryer.
 - b) Do not overload dryer.

(NOTE: Overloading increases wrinkles and drying time.)
 - c) Shake clothing to reduce wrinkling before placing in dryer.
 - d) Place items of equal wetness in the dryer together.
 - e) When drying is complete, remove clothing immediately to limit wrinkling.
11. Using laundromats and dry cleaning services
- a. Choose a service that is located nearby.
 - b. Sort your clothes carefully to get the fewest loads for the most money.
 - c. Check the machine prior to placing items inside.

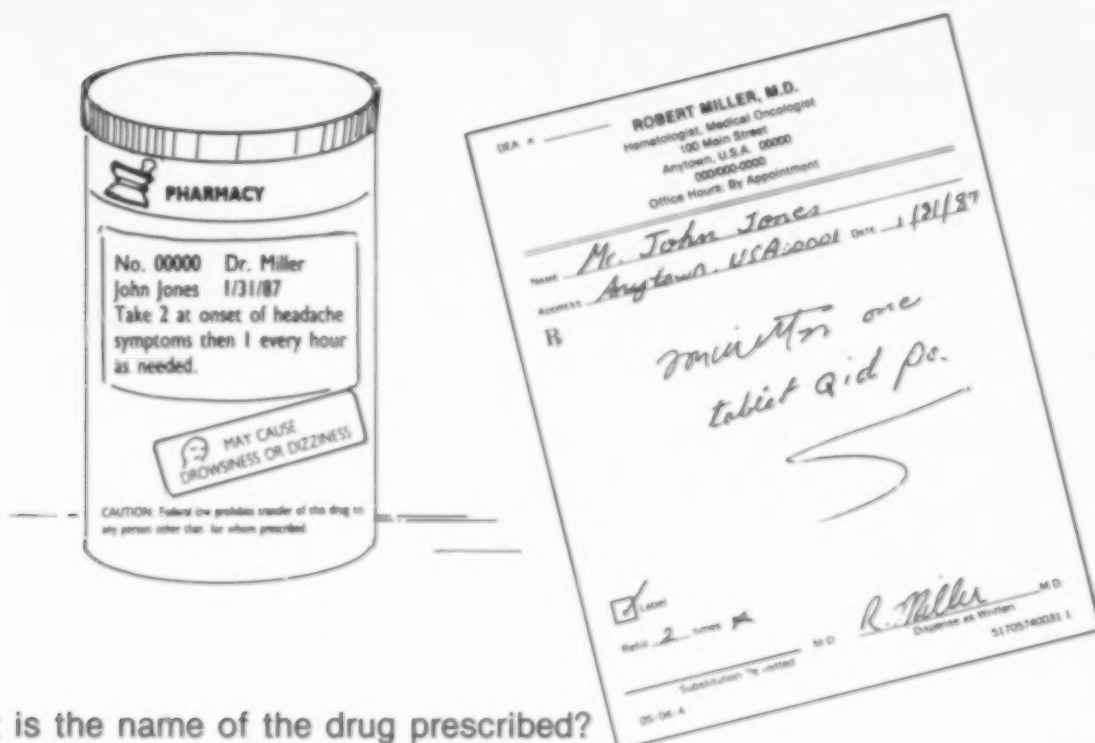
(NOTE: Some machines may have items forgotten by the previous user. Also soap scum, sand, etc. may need to be wiped out prior to use.)

- d. Be sure that you have sufficient change for each load.
- e. Do not leave items in the machines for long time periods, preventing others from using the machines.
- f. Clean up the area you use as a courtesy to the next customer.
- g. Follow safety precautions depending on where the service is located. Try to choose a service that is well supervised, brightly lit, and located in a safe area.
(NOTE: You may need to have someone with you in some establishments.)

B. Arrange for alterations and sewing services.

- 1. For minor repairs, keep a well-stocked sewing box with needles, thread, mending tape, and other items needed to keep your clothing in good repair.
- 2. The professional clothing you purchase for work may need to be altered.
 - a. Many communities have professional alterationists who are employed by a business which sells clothing or by a dry cleaning business.
 - b. Check with friends, business associates, or family members to get names of persons performing such services.
 - c. Evaluate the services and quality of work provided by the individual.
(NOTE: Having a professional alter clothing can help you obtain a more attractive, better fitting garment.)
 - d. If alteration of ready-made clothing is frequently necessary for you because of your size or body build, you may want to take a high school, junior college, or adult education home economics course in which you can learn to make alterations.
- 3. You may have difficulty finding ready-made clothing that meets your needs. In that case, you may wish to find a competent person in the community who can construct clothing for you
(NOTE: When seeking a sewing service follow the steps for securing an alterationist.)

Questions to Ask When Given a Prescription by the Doctor



1. What is the name of the drug prescribed?
2. What is this medicine being prescribed for?
3. How often should this medicine be taken and for how long?
4. Should any food or beverage be avoided while this medicine is being taken?
5. Is it safe to take this medicine with other medicines currently being taken?
6. Should this medicine be taken before, after, or away from meals?
7. Are there side-effects that might occur with this medication and, if so, what should be done about them? Should the doctor be consulted? Should the medicine be discontinued?
8. Is this medicine available under a generic name?

Sample Over-The-Counter Products

- Mouthwashes
- Vitamins/Minerals
- Dental Products
- Dandruff Preparations
- Sunburn Products
- Sleep Aids
- Stomach Remedies
- Medical Sprays/Salves
- Dietary Aids
- Cold/Cough Remedies
- Laxatives
- Eye Care Products
- Foot Care Products



CONTACT LENS USE AND CARE

Points to Remember

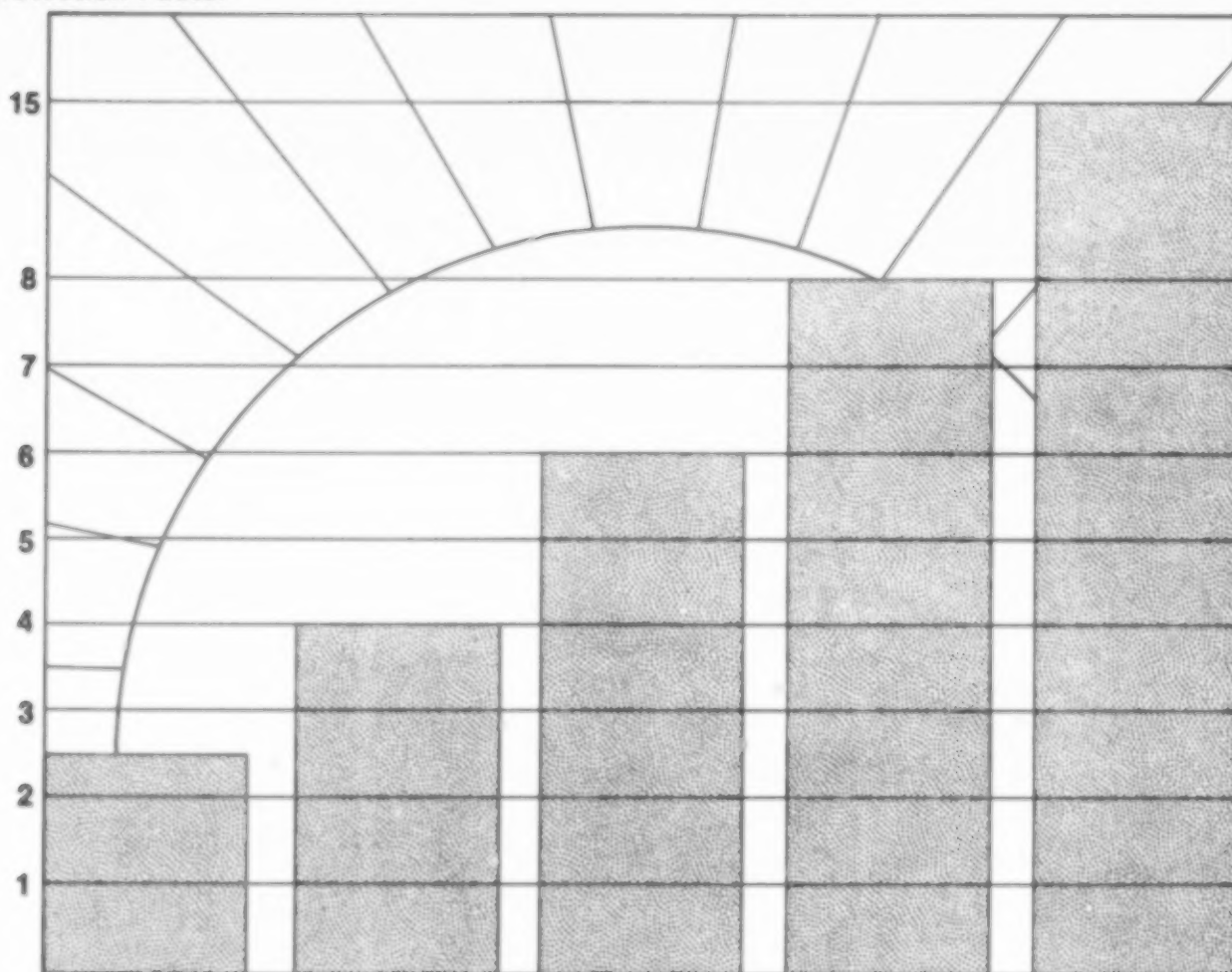
1. To prevent heat from building up under contact lenses, do not wear while swimming, sunbathing, or sleeping.
2. If contact lens is uncomfortable, remove and reinsert.
3. Leave eye free of contact lens for some portion of the days.
4. If you do not wear contact lenses for a day or more, slowly build up wearing time.
5. Do not rub eyes while wearing contact lenses.
6. Wash hands before inserting contact lenses.
7. Use appropriate cleansers to clean contact lenses.
8. Wet contact lenses with appropriate solution prior to reinserting in eye.
(CAUTION: Never wet lens with saliva.)
9. Do not wear cracked or damaged lenses.
10. Do not use lighter fluid or nail-polish remover while wearing lenses.
(NOTE: Fumes may damage lenses.)
11. Wear an eye mask to protect against particles when working with wood or metal or other dangerous materials.
12. Have glasses available for times when contact lenses are not appropriate.
(CAUTION: Contact lenses should not be worn in some work environments, for example, where fumes are present, as this could lead to eye injury and damaged lenses.)

COSMETIC SAFETY RULES

1. Read and carefully follow directions for using any cosmetic.
2. Apply a small amount of cosmetic to your inside forearm for 24 hours. Observe if blisters form. If a reaction occurs, do not use cosmetic.
3. Keep cosmetic containers clean and wash your hands before applying cosmetics.
4. Keep cosmetic containers cleaned when not in use.
5. If a cosmetic must be moistened, use clean water, not saliva.
6. Do not share or borrow cosmetics from others.
7. Avoid inhalation of aerosol products.
8. When applying cosmetics, be careful to avoid the eyes.
9. Do not apply cosmetics to an irritated or infected area, unless the product is a medicated one used for treatment of the area.
10. If irritation develops while using a cosmetic, discontinue use.
11. Report problems encountered with cosmetics to the Food and Drug Administration and to the manufacturer.

Sun Protection Based on Skin Type

Protection Factor



Attains Dark Tan
Rarely Burns

Burns to Limited
Extent
Attains Moderately
Brown Tan

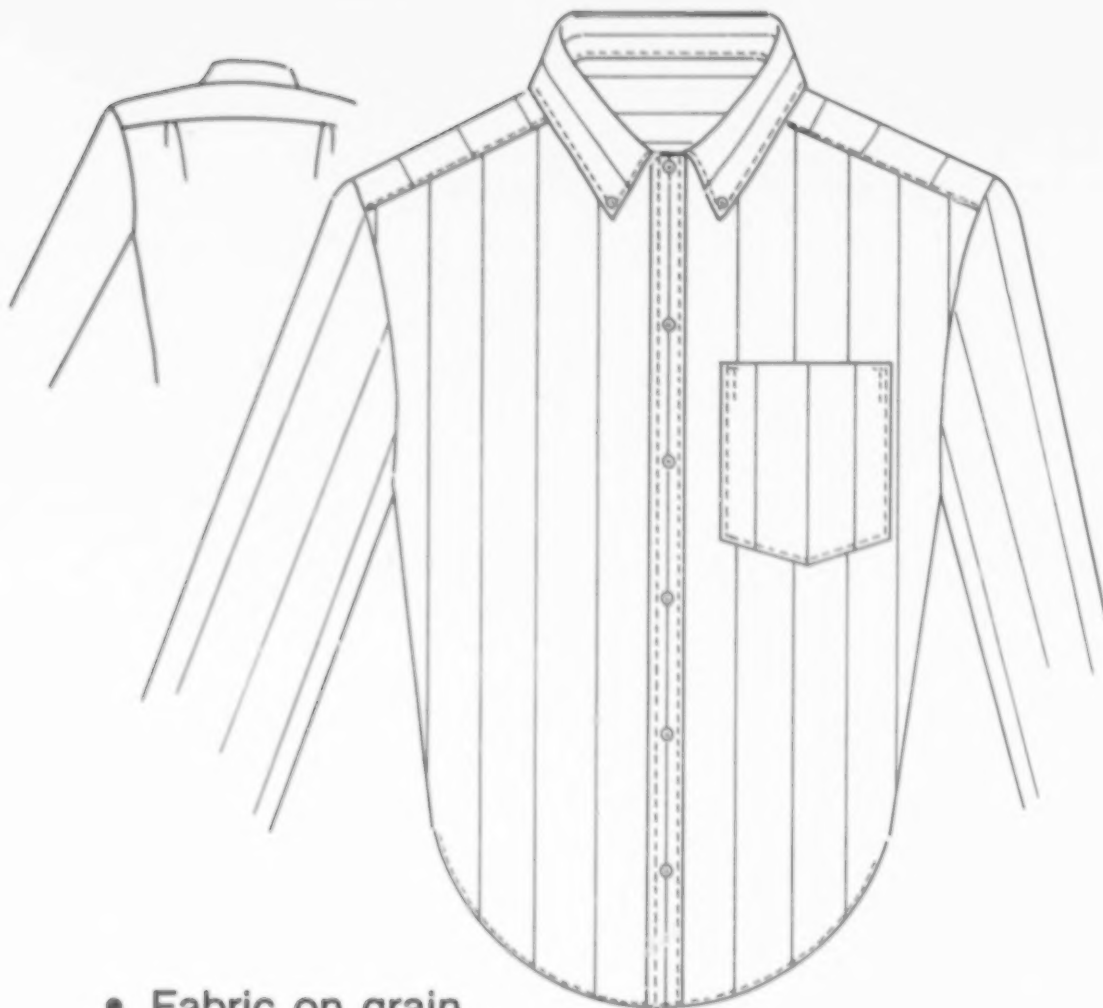
Burns Moderately
Attains Gradual
Light Brown Tan

Burns Easily
Tans very Little
Is Sensitive to Sun
While Tanning

Burns Easily
Rarely Tans
Skin Sensitive
to Sun

Skin Type

Quality Shirt Features



- Fabric on grain
- Even collar points
- One-piece sleeve or two-piece sleeve
- Uniform stitching on collar
- Smooth, flat sleeves, no puckers
- Reinforced buttonholes, evenly spaced
- Deep yoke, curved at back
- Sleeve inserted at angle for greater movement
- Evenly stitched pockets

Fiber Characteristics



Natural Fibers



Manufactured Fibers



Cotton	• Absorbent • Comfortable and cool to wear in warm weather • Does not generate static electricity • Withstands high temperatures • Combines with other fibers easily	• Wrinkles easily (unless treated with special finish) • Shrinks in hot water (unless treated) • Mildews (if stored damp) • Weakened by wrinkle-resistant finishes and prolonged exposure to sunlight • Highly flammable (unless treated with flame-retardant finish)	Acetate	• Looks and feels soft and luxurious • Drapes well • Resistant to pilling, moths, and mildew	• Nonabsorbent • Usually requires dry cleaning • Melts under high heat
Linen	• Strongest of natural fibers • Cool to wear, absorbs moisture from skin and dries quickly • Looks smooth and lustrous • Withstands high temperatures • Durable - withstands frequent laundering	• Wrinkles and creases easily (unless treated) • Shines if ironed on right side • Usually expensive • Poor resistance to mildew and perspiration	Acrylic	• Resembles wool • Soft, warm, and lightweight • Colorfast • Retains shape well • Resistant to wrinkles, chemicals, moths, mildew, and sunlight	• Nonabsorbent • Generates static electricity • Not resistant to abrasion, pilling, stretching, or soil
Silk	• Looks and feels smooth and luxurious • Absorbent • Strong but lightweight • Combines well with other fibers • Resists wrinkling • Resists soil	• Usually requires dry-cleaning • Yellowes with age • Weakened by detergents, perspiration, and long exposure to sunlight • Attacked by insects such as silverfish • Spotted by water (unless specially treated) • Expensive	Nylon	• Strong and durable • Lightweight and lustrous • Drapes well • Retains shape well • Dries quickly • Resistant to moths, mildew, and oily stains	• Nonabsorbent • Generates static electricity • Not resistant to soil or pilling
Wool	• Warmest of all fibers • Combines well with other fibers • Highly absorbent - absorbs moisture without feeling wet • Resists wrinkles • Retains shape well • Creases well • Durable	• Will shrink and mat when moisture and heat are applied • Usually requires dry cleaning • Burns easily • Attracts moths and carpet beetles • Expensive	Polyester	• Strong and durable • Colorfast • Retains shape well • Resistant to wrinkles, stretching, shrinking, bleach, moths, and mildew	• Nonabsorbent • Generates static electricity • Not resistant to oily stains, soil, or pilling
			Rayon	• Resembles cotton • Soft and comfortable • Absorbent • Colorfast • Drapes well • Resistant to moths and pilling	• Wrinkles easily (unless treated with a special finish) • Shrinks in hot water (unless treated) • Highly flammable (unless treated)

FABRIC FINISHES

ANTISTATIC	Prevents buildup of static electricity in garments
DURABLE PRESS (or PERMANENT PRESS)	Helps fabric retain its original shape and resist wrinkling after washing and drying
FLAME-RETARDANT	Chemical treatment which helps prevent fabric from supporting a flame
MERCERIZATION	Increases luster, strength, dyability of fabric (often used on cotton, linen, rayon)
MILDEW-RESISTANT	Helps prevent mildew from forming on fabrics
MOTH-REPELLENT	Chemical treatment for wool to inhibit attacks by moths and carpet beetles
PRESHRUNK	Fabrics which have been shrunk by a heat and moisture process; garments labeled "preshrunk" should not shrink more than 3%
SANFORIZED ^R	Trademark guarantee that a product will not shrink more than 1% in either length or width
SCOTCHGUARD ^R	Trademark for a fabric finish to resist water and oil stains
SOIL-RELEASE	Makes it possible for oily stains to be removed from durable-press fabrics; makes water-resistant fibers more absorbent, so detergents can release soil
WATERPROOF	Makes a fabric completely resistant to water and air passage (may be uncomfortable to wear)
WATER-REPELLENT	Makes a fabric resistant to water, but not waterproof; cannot resist heavy rain (finish must be renewed after several washings)

Name: _____
Point Value: _____
Points Earned: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

ASSIGNMENT SHEET 1--COMPLETE PERSONAL GROOMING AND CLOTHING
TERMS PUZZLE

Directions: Complete the following word find puzzle by circling each term related to personal grooming and clothing and then writing the term beside its definition.

E	C	N	A	T	S	I	S	E	R	L	A	M	R	E	H	T
C	X	A	D	C	O	N	D	U	C	T	I	V	I	T	Y	J
N	G	Y	R	M	A	T	I	V	O	S	P	Q	L	M	O	R
A	T	V	U	D	N	R	T	L	J	S	X	Y	H	E	P	D
L	W	Q	G	S	I	D	E	E	F	F	E	C	T	A	T	N
A	F	U	L	P	C	O	S	M	E	T	I	C	S	Q	O	I
B	T	A	P	O	H	R	V	V	M	J	G	D	C	B	M	Y
L	F	C	Q	D	E	R	M	A	T	I	T	I	S	O	E	X
A	N	K	Z	W	Q	R	T	H	S	L	U	S	J	R	T	B
M	S	I	N	A	G	R	O	O	R	C	I	M	P	Q	R	A
R	C	X	M	Y	E	P	O	W	I	U	U	W	L	Z	I	O
E	Q	O	P	T	I	C	I	A	N	Y	F	L	M	R	S	J
H	A	D	S	J	D	K	L	E	I	C	O	F	A	W	T	C
T	L	K	D	S	O	K	Y	T	I	L	I	B	A	R	U	D
G	O	P	H	T	H	A	L	M	O	L	O	G	I	S	T	H

_____ A drug or device which claims to cure or prevent a condition which it cannot cure or prevent

_____ The extent to which a product will continue to perform its function over time

_____ A medical doctor who is qualified to treat all conditions of the eye

_____ The unified system of the heart and blood vessels

_____ Any effect of a drug on the human body other than those for which it was taken

_____ A fabric's ability to prevent the flow of heat from one side of a fabric to the other

_____ Craftspersons skilled in the grinding of lenses according to prescription and in setting these lenses properly in frames

_____ Products applied to the body to change appearance or enhance attractiveness

_____ The ability to transfer heat from one place to another

_____ A microscopic animal or vegetable such as bacteria, protozoan, virus

_____ Professionals who are licensed to measure how well one sees, to prescribe glasses, and to perform other nonmedical measures; they are not medical doctors and are not trained to treat diseases of the eye.

_____ Inflammation of the skin

_____ The use of textile fibers to keep the body from becoming too hot or too cold

_____ A substance taken to affect any function of the human body; to prevent, relieve, or cure illness

Name: _____
Point Value: _____
Points Earned: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

ASSIGNMENT SHEET 2--REVIEW HEALTH AND GROOMING PRODUCTS

Directions: Read each of the statements below. Place an X in the column which reflects the correct response.

	<u>TRUE</u>	<u>FALSE</u>	
1.	_____	_____	Prescription drugs can have serious side effects.
2.	_____	_____	An optometrist may perform eye surgery when necessary.
3.	_____	_____	Anyone may wear contact lenses.
4.	_____	_____	Cosmetics may be shared by two people without ill effects.
5.	_____	_____	Sulfur is a chemical substance used to help individuals with acne.
6.	_____	_____	Antiperspirants mask body odor.
7.	_____	_____	Numerous preparations on the market help prevent baldness.
8.	_____	_____	An SPF factor of 8 to 15 provides a high degree of protection from the sun.
9.	_____	_____	A generic drug name refers to the chemical name of the substance in the drug.
10.	_____	_____	Drug labels do not need to meet labeling standards.
11.	_____	_____	Hearing aid dealers have the technical knowledge needed to diagnose hearing problems.
12.	_____	_____	If you hurt following exercise, work out harder the next time.
13.	_____	_____	Brand name drugs are of a higher quality than generic drugs.

Name: _____
Point Value: _____
Points Earned: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

ASSIGNMENT SHEET 3--INTERPRET MEDICATION LABELS

Directions: Consumers often base their decisions about selecting an over-the-counter drug on information from the product label. In order to use over-the-counter drugs safely and appropriately, consumers must be able to understand and follow the directions on the product label. Read the directions on the SAMPLE product label and answer the questions below.

1. Does the label state the use for which the product is intended? _____
2. What is the dose for adults? _____
3. What is the maximum dose in 24 hours? _____
4. May children take this product? _____
5. What safety information is provided regarding children?

6. What caution(s) should be observed while using this product?

7. Should people with certain conditions avoid this product?

8. Is there a possibility of drug interaction? _____
9. Are the product ingredients listed? _____
10. Is information provided about the safety seal? _____
11. Is information provided about storing the product? _____
12. What is the expiration date for the product? _____

SAMPLE OTC MEDICATION LABEL

For fast, effective relief of xyzyx symptoms.

DOSAGE: Adults: 1 or 2 tablets every 3-4 hours up to 6 times daily. The smallest effective dose should be used.

Children: Do not administer to children without first consulting a physician.

CAUTION: If symptoms persist for more than 10 days, or in conditions affecting children under 12, consult a physician immediately. Discontinue use if ringing in the ears occurs.

WARNINGS: If you have any condition which requires you to take prescription drugs, or if you have had any problems or serious side effects from taking any non-prescription xyzyx reliever, do not take this product without first discussing it with your doctor. If you experience any symptoms which seem unusual or seem unrelated to the condition for which you took the product, consult a doctor before taking any more of it. Do not combine this product with any other product containing Abcba or Opgpo. As with any drug, women who are pregnant or nursing a baby should seek the advice of a health professional before using this product.

Keep all medicines out of reach of children.

In case of accidental overdose, seek professional assistance or contact a poison control center immediately.

AVOID EXCESSIVE HEAT (OVER 140⁰ F. OR 40⁰ C.)

If you have questions or comments about this product, please call us toll-free. In the continental U.S., call 1-800-000-0000.

ACTIVE INGREDIENT: Abcba, 325 mg. per tablet.

INACTIVE INGREDIENT: Starch.

Made in U.S.A. by XYZ Laboratories, Anywhere, MO 60000

Expiration Date: January 1998

For your protection cap sealed with a printed plastic band.

Name: _____
Point Value: _____
Points Earned: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

ASSIGNMENT SHEET 4--IDENTIFY SAFETY CONCERNS FOR
GROOMING AND COSMETIC PRODUCTS

Directions: When selecting and using grooming products and cosmetics, safety is an important factor. Read the information on the sample labels and answer the questions below.

Product Label # _____

1. What is the product? _____
2. Do you feel adequate directions for the use of the product are provided on the label? Why or why not?

3. Does the label contain safety cautions? _____
4. What are the stated safety cautions?

5. Do you feel the cautionary message is necessary and, if so, is it adequate? _____
6. What other information would you like to see on this type of product? _____

7. What promotional (advertising) information appears on the label? _____

For Extra Credit:

Find product labels, brochures, pamphlets, or other product information for two grooming/cosmetic products of your choice. For these two products, tell the brand name, the type of product, and list the stated cautions.

Brite Toothpaste

Net wt. 4.6 oz.

INGREDIENTS: Sodium fluoride in a dentifrice base of sorbitol, water, hydrated silica, trisodium phosphate, sodium lauryl sulfate, flavor, sodium phosphate, xanthan gum, sodium saccharin, carbomer-940, and FD&C Blue No. 1.

Fluoribrite is a trademark for a proven decay-preventive composition (active ingredient: sodium fluoride).

CONTAINS NO SUGAR

Made in U.S.A. by Brite-Way, Inc. Smiles, Missouri 65000

U.S. Patent X0,000,000

QUESTIONS? If you have questions or comments about Brite, please call us toll-free. In the continental U.S., call 1-800-000-0000.

Product Label Number 1

Sofcurls Shampoo

Sofcurls moisturizing shampoo is specially formulated for hair that is dry or damaged. pH-balanced Sofcurls cleans gently, yet thoroughly and leaves your hair soft, shiny, and manageable. Its unique combination of natural emollients and texturizers restores essential moisture to dry or damaged hair. For added softness and shine, use Sofcurls Moisturizing Conditioner. Safe for permed or color-treated hair.

DIRECTIONS: Wet hair, apply, lather, rinse, repeat. Keep out of eyes. If contact occurs, rinse with water. For external use only. Keep out of reach of children.

CONTAINS: Water, Sodium C14-16 Olefin Sulfonate, Lauramide DEA, TEA-Dodecylbenzenesulfonate, Glycol Stearate, Fragrance, Sodium Chloride, Lecithin, Soybean Oil, Corn Oil, Sesame Oil, Phosphoric Acid, and other ingredients.

16 Ounces
Made in U.S.A.

Golden Style Products
Consumer Towne, Missouri 60505

Product Label Number 2

SuperDri

Hypo-allergenic
Anti-Perspirant
Deodorant

Provides strong, effective protection
against wetness and odor.
Gentle to your skin and your clothes.

WARNING: Do not apply to broken skin. If a
rash or irritation develops, discontinue use. Keep
out of reach of children.

ACTIVE INGREDIENT: Aluminum Chlorohydrate.
Superior Grooming, Inc.
Superville, Missouri 60005

Net wt. 2 oz.
Made in U.S.A.

Product Label Number 3

Minty Breeze Mouthwash

For Bad Breath and General Oral Hygiene--rinse full
strength for 30 seconds with 2/3 ounce morning and
night.

Warning--Do not administer to children under three
years of age. Keep this and all drugs out of the reach
of children. Not for ingestion.

Ingredients--Thymol, Eucalyptol, Methyl Salicylate and
Menthol. Also contains Water, Alcohol 26.9%,
Benzoic Acid, Poloxamer 407, and Caramel.

Cold weather may cause this product to become
cloudy--its antiseptic properties are not affected.

DO NOT USE UNLESS PURCHASED IN SAFETY
SEALED OUTER WRAP

24 Fl. Ozs. (1 Pt. 8 Fl. Ozs.)
Mint Valley, MO 60205

Product Label Number 4

188

Name: _____
Point Value: _____
Points Earned: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

ASSIGNMENT SHEET 5--REVIEW CONSUMER FABRIC PROTECTION LAWS

Directions: Place the number of each idea listed below under the Act of which it is a part.

1. Requires imported fiber's country of origin
2. Specifies flammability standards for children's sleepwear
3. Requires fur products country of origin
4. Requires listing of Fiber content and percentage present on label
5. Requires labeling of types of wool used in products and defines the types of wool
6. Protects consumers from fire hazards
7. Requires that labels be attached as a permanent part of the garment
8. Requires care instructions on the label

Acts and Laws:

Flammable Fabric Act

Textile Fiber Products Identification Act

Wool Products Labeling Act

Fur Products Labeling Act

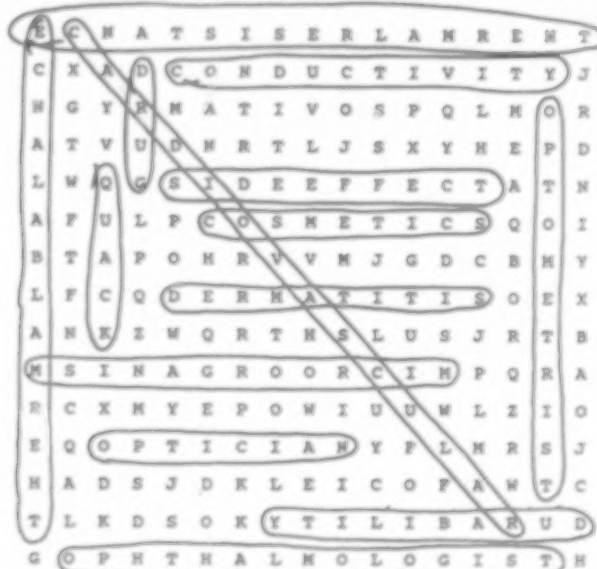
MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

quack, durability, ophthalmologist, cardiovascular, side-effect, thermal resistance, optician, cosmetics, conductivity, microorganism, optometrist, dermatitis, thermal balance, drug



ASSIGNMENT SHEET 2

1. 2, 2. f, 3. f, 4. f, 5. t, 6. f, 7. f, 8. t,
9. t, 10. f, 11. f, 12. f, 13. f

ASSIGNMENT SHEET 3

1. Yes, for relief of xzyzx symptoms
2. 1 or 2 tablets every 3-4 hours
3. 12 tablets = 2 tablets 6 times daily
4. No, not without consulting a physician
5. Do not give to children without consulting a physician; contact a physician if children under 12 show xzyzx symptoms; keep all medicines out of reach of children
6. If symptoms persist for more than 10 days; consult a physician, discontinue use if ringing in the ears occurs; if you experience symptoms which seem unusual or seem unrelated to the condition, consult a physician; do not combine this product with any other product containing Abcba or Opqpo.
7. If you have any condition which requires you to take prescription drugs or if you have had any problems or serious side effects from taking any non-prescriptions xzyzx

reliever, do not take product without discussing with physician; if you experience any symptoms which seem unusual or seem unrelated to the condition, consult a doctor before taking any more of it; women who are pregnant or nursing a baby should seek the advice of a health professional before using this product; those who experience ringing in the ears with this product should not use it; those whose symptoms have occurred for more than 10 days should consult a physician; children should not take the product unless a physician has been consulted.

8. Yes, with Opgpo
9. Yes, Abcba and starch
10. Yes
11. Yes, avoid excessive heat (over 140 degrees F. or 40 degrees C.)
12. January 1998

ASSIGNMENT SHEET 4

Product Label #1

1. Brite Toothpaste
2. Answers will vary, evaluated to satisfaction of the teacher.
3. No
4. None
5. Answers will vary, evaluated to satisfaction of the teacher.
6. Answers will vary, evaluated to satisfaction of the teacher.
7. "Fights cavities with clinically proven Flouribrite and with proper brushing, helps remove plaque that can lead to gingivitis (red, swollen gums)."

Product Label #2

1. Sofcurls Shampoo
2. Answers will vary, evaluated to satisfaction of the teacher.
3. Yes
4. "Keep out of eyes. If contact occurs, rinse with water. For external use only. Keep out of reach of children."
5. Answers will vary, evaluated to satisfaction of the teacher.
6. Answers will vary, evaluated to satisfaction of the teacher.
7. "Sofcurls moisturizing shampoo is specially formulated for hair that is dry or damaged. pH-balanced Sofcurls cleans gently, yet thoroughly and leaves your hair soft, shiny, and manageable. Its unique combination of natural emollients and texturizers restores essential moisture to dry or damaged hair. For added softness and shine, use Sofcurls Moisturizing Conditioner. Safe for permed or color-treated hair."

Product Label #3

1. Superdri Anti-Perspirant/Deodorant
2. Answers will vary, evaluated to satisfaction of the teacher.
3. Yes
4. "Do not apply to broken skin. If a rash or irritation develops, discontinue use. Keep out of reach of children."

5. Answers will vary, evaluated to satisfaction of the teacher.
6. Answers will vary, evaluated to satisfaction of the teacher.
7. "Provides strong, effective protection against wetness and odor. Gentle to your skin and your clothes."

Product Label #4

1. Minty Breeze Mouthwash
2. Answers will vary, evaluated to satisfaction of the teacher.
3. Yes
4. "Do not administer to children under three years of age. Keep this and all drugs out of the reach of children. Not for ingestion."
5. Answers will vary, evaluated to satisfaction of the teacher.
6. Answers will vary, evaluated to satisfaction of the teacher.
7. "Kills millions of germs!"

ASSIGNMENT SHEET 5

Flammable Fabrics Act: 2, 6

Textile Fiber Products Identification Act: 1, 4, 7, 8

Wool Products Labeling Act: 5

Fur Products Labeling Act: 3

Name: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

JOB SHEET 1--GATHER INFORMATION FOR SELECTING
HEALTH AND GROOMING SUPPLIES

I. Materials:

Grooming or health care products
Poster materials
Consumer Reports buying guides
Binder to hold materials

II. Procedures:

- A. Select one grooming or health aid for further analysis.
- B. Review previous issues of Consumer Reports or other available buying guides. Gather data on analysis of the product.

III. Optional additional procedures

- A. Secure the address of the product from its label.
- B. Correspond with the manufacturer by writing a business letter which requests the following information:
 - 1. Date product first appeared on the market
 - 2. FDA regulations or standards the product has met
 - 3. Testing procedures carried out by the manufacturer to assure product quality, safety and dependability
- C. Compile information received from Consumer Report or other guides and the manufacturer into a class booklet. Add additional information such as cost and availability.
- D. Display booklet in school library so others can review the information.
- E. Inform student body of availability of the information through announcements in the school paper or posters placed in areas throughout the school.

Evaluation Criteria	Point Value	Points Earned
1. Summary developed from articles in <u>Consumer Reports</u> or other buying guides		
2. Contribution to preparation of class consumer booklet		
3. Contribution of ideas or assistance in setting up library display		
4. Contribution of ideas or assistance in announcing booklet availability.		
5. Optional activity completed for extra credit:		
a. Business letter format used		
b. Letter contained specified information		
c. Letter written in ink or typed with correct spelling and punctuation		
Total Points		

Name: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

JOB SHEET 2--ANALYZE SELECTION OF GROOMING AND COSMETIC PRODUCTS

Directions: Select three grooming/cosmetic products from the list below and complete the form. You may base your answers on your own experience with personal grooming products or you may interview another person about his/her preferences.

Bath soap
Shampoo
Hair conditioner
Skin care product
Sun protector

Skin cream
Deodorant or antiperspirant
Fragrance
Cosmetic (specify)

Product 1:

Product 2:

Product 3:

	Product 1:	Product 2:	Product 3:
Preferred Brand			
How did you select this product? (Ad, coupon, sample, recommended by ?)			
Does product include information on use and expected results?			
Are you satisfied with this product?			
Do you change or experiment with this type product?			

Topics for Class Discussion:

1. What seem to be the most effective ways of selecting grooming/cosmetic products?
2. How influential are ads/coupons/samples in consumer decisions to purchase products?
3. How useful are advertisements/recommendations of others in helping consumers to choose grooming aids wisely?
4. Do products contain clear helpful information on how to use a product? How could they be made more helpful?
5. Do grooming products generally meet consumer expectations?
6. Must consumers experiment often to find satisfactory products?

Evaluation Criteria		Point Value	Points Earned
1.	Selected three products to analyze		
2.	Completed questionnaire		
3.	Participated in class discussion		
Total Points			

Name: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

JOB SHEET 3--UPDATE YOUR WARDROBE

Directions: Assume you have \$400 to use in updating your wardrobe. Select one of the situations described below and then decide what clothing purchases you would make to fit the situation. You may refer to catalogs, advertisements, or actually go "window shopping" to get ideas. Write a description of your "new" wardrobe, what items you selected, why, and cost of items. Remember you will need to make an inventory of your current wardrobe before deciding what new clothing would be required.

Select one of the following situations:

- A. You will soon be interviewing for jobs.
- B. You will soon be attending college.
- C. You will be vacationing and traveling for the summer.
- D. You will be working (indicate a job setting).

Evaluation Criteria	Point Value	Points Earned
1. Checked personal wardrobe		
2. Made clothing selections appropriate to the situation		
3. Provided description of clothing		
4. Included realistic price estimates		
5. Description prepared neatly and using correct grammar		
Total Points		

Name: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

JOB SHEET 4--COMPARE CLOTHING ITEMS

Directions: Compare five different clothing items as listed below. Record information on fiber content, washing instructions, and the price. Consider the use of the garment as you evaluate.

Items	Fiber Content	Washing Instructions	Quality			Purchase Price
			low	med.	high	
1. Coat A						
Coat B						
2. Dress shoes A						
Dress shoes B						
3. T-shirt A						
T-shirt B						
4. Blue jeans A						
Blue jeans B						
5. Dress suit A						
Dress suit B						

Points to Consider: After completing the comparison above, answer the following questions.

1. Were any of the items you investigated particularly good buys (quality for less, sale items, special purchases, etc.)? Explain. _____

2. Is there a distinct relationship between quality rating and price? Why do you think so? _____

3. Would washability or fiber content be important factors for some purchases? Explain why. _____

Evaluation Criteria	Point Value	Points Earned
1. Compared five clothing items as listed		
2. Completed questionnaire on clothing items		
3. Answered questions about the comparisons and findings (Points to Consider)		
4. Used correct grammar and spelling		
Total Points		

Name: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

JOB SHEET 5--SELECT FAMILY CLOTHING

- I. Materials:
Garments
Evaluation forms

II. Procedures

- A. Bring a garment to class and place on rack with garments brought by other class members. It may be clothing for any age.
- B. Devise check forms for different types of garments based on the criteria presented in the content outline.

Example:

Name of Garment: Man's Suit

Criteria:	Quality		
	Low	Medium	High
A. Jacket			
1. Hanging straight			
2. Smooth collar, lapels			
3. Nonbinding armhole			

(NOTE: Forms may be developed by students individually, in small groups, or as a class.)

- C. Present evaluation forms to group for evaluation and to obtain recommendations for change.
- D. Revise forms and duplicate for class use.
- E. Select two different garments from the clothes rack to evaluate.
(NOTE: Be sure you do not evaluate the garment you brought to class.)
- F. Select the appropriate evaluation form(s) for the garments.
- G. Evaluate garments individually or in small groups.
- H. Present results to class members. Explain why you evaluated the garment as you did.
- I. Summarize your presentation by giving an overall rating of the garment's satisfaction to the wearer. Use a scale of 1 to 5 with 1 = high satisfaction and 5 = low satisfaction

<u>Evaluation Criteria:</u>		Point Value	Points Earned
1.	Brought garment to class		
2.	Participated in developing evaluation devices		
3.	Made any needed revisions in evaluation form		
4.	Evaluated two garments		
5.	Presented results to class		
Total Points			

Name: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

JOB SHEET 6--DEMONSTRATE CLOTHING MAINTENANCE
IN A LAUNDROMAT SKIT

I. Props:

Laundry baskets and bags filled with clothing and linens
Empty laundry product boxes and bottles

- II. Class divides into three groups. Each group is assigned one of the following three acts to perform. Each group of students plans a skit (one act) and prepares a script to use.

- III. Student groups perform the skit as follows:

Act One: Selecting the Laundromat

A group of friends on the way to a laundromat discusses how to select a good facility, safety tips, and why they like this particular laundromat.

Act Two: Getting the Laundry Done

A couple in the laundromat have never done the laundry before! They ask questions and a group of friends, who are there to do their own laundry, provide helpful answers and advice.

Act Three: Showing Courtesy at the Laundromat

A group of friends who are finishing up their laundry chores at the laundromat discuss how to show courtesy to other patrons of the laundromat, as well as proper treatment of the equipment and facility.

- IV. As each group presents a skit, other students complete the Review Form to hand in when the skit has concluded.

Evaluation Criteria	Point Value	Points Earned
1. Cooperated with group to plan skit		
2. Worked with group to prepare written script (to hand in)		
3. Presented skit		
4. Presented relevant and useful information		
5. Completed and handed in Review Form		
Total Points		

Name: _____

SKIT REVIEW FORM

Act # _____

Overall rating of skit/act _____ (1=best rating)

Three useful ideas presented were:

1. _____

2. _____

3. _____

Other information that could be added:

Act # _____

Overall rating of skit/act _____ (1=best rating)

Three useful ideas presented were:

1. _____

2. _____

3. _____

Other information that could be added:

Name: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

JOB SHEET 7--ARRANGE FOR CLOTHING RELATED SERVICES

I. Materials:

Telephone directory

II. Procedures:

- A. Review the local telephone directory to find individuals or businesses that offer laundry, alterations, and/or sewing services.
- B. As a class or individually select the services which you would like to know more about.
- C. As a class or individually, construct an interview form on which to gather information. Include questions such as:
 1. What types of services do you offer?
 2. How long have you been in business?
 3. Describe the types of clients you serve.
 4. What rates are charged for each service provided?
 5. Is your location convenient for all who might like to use your services?
 6. Additional questions
- D. Prepare sufficient copies of the form for use by all participating in this activity.
- E. Divide into small groups or individually make contact with the person or business and request an appointment to interview the individual or business representative.
- F. Conduct the interview. Review and summarize your findings.
- G. Share results with your classmates.

- H. Discuss the value of using laundry, alterations, and sewing services and/or the need for such services in the community.
- I. Draw five or more conclusions based on the activity and state these below.
1. _____
 2. _____
 3. _____
 4. _____
 5. _____
- J. Submit your interview results and conclusions to your instructor.

Evaluation Criteria	Point Value	Points Earned
1. Selected appropriate service to analyze		
2. Contributed to questionnaire construction.		
3. Contacted business or individual for appointment		
4. Conducted interview		
5. Participated in discussion		
6. Developed appropriate conclusions		
7. Submitted results to instructor		
8. Used complete thoughts, correct grammar, punctuation and spelling		
Total Points		

Name: _____
Point Value: _____
Points Earned: _____

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|--------------------------|-------------------------|
| a. cardiovascular system | h. durability |
| b. dermatitis | i. opticians |
| c. optometrists | j. cosmetics |
| d. thermal resistance | k. thermal balance |
| e. drug | l. thermal conductivity |
| f. ophthalmologists | m. microorganism |
| g. side-effect | n. quack |

- _____ 1. The unified system of the heart and blood vessels.
- _____ 2. A substance taken to affect any function of the human body; to prevent, relieve, or cure illness.
- _____ 3. The extent to which a product will continue to perform its function over time.
- _____ 4. A drug or device which claims to cure or prevent a condition which it cannot cure or prevent.
- _____ 5. Products applied to the body to change appearance or enhance attractiveness.
- _____ 6. Inflammation of the skin.
- _____ 7. Medical doctors who are qualified to treat all conditions of the eye. They are licensed to treat diseases of the eye, perform eye surgery, measure how well an individual sees, and to prescribe glasses.

- ___ 8. Individuals who prepare and dispense lenses and eyeglasses according to prescription.
- ___ 9. Professionals who are licensed to measure how well one sees, to prescribe glasses, and to perform other nonmedical measures.
- ___ 10. Any effect of a drug on the human body other than those for which it was taken.
- ___ 11. The use of textile fibers to keep the body from becoming too hot or too cold in the environment in which individuals must function.
- ___ 12. A fabric's ability to transfer heat from one side of a fabric to the other.
- ___ 13. A microscopic animal or vegetable such as bacteria, protozoan, virus.
- ___ 14. A fabric's ability to prevent the flow of heat from one side of a fabric to the other.

Part Two: Multiple Choice

Directions: For each of the questions below, chose the one best answer by circling the letter of the correct statement.

- 15. When your physician gives you a prescription, you should:
 - a. Ask him/her questions about how to use the drug
 - b. Tell him/her about other medications you use
 - c. If the doctor seems busy, wait and ask the pharmacist about the drug.
 - d. a and b above
 - e. All of the above
- 16. If a prescription drug does not provide the expected relief, you should:
 - a. Stop using it and see what the drugstore has available
 - b. Ask the doctor for some medicine like your friend had
 - c. Report this to your physician and ask for instructions
 - d. Stop using it and ask a relative what to do
 - e. Call the Better Business Bureau to report it

17. The chief source of information available to consumers about over-the-counter drugs is:
- Posters and bulletins
 - Magazine advertising
 - Television advertising
 - Physicians' lectures and writings
 - Clinical research studies
18. To learn whether or not an over-the-counter drug is right for you:
- Read magazine advertising carefully
 - Read physicians' medical journals carefully
 - Watch television advertising carefully
 - Find out what your neighbor uses
 - Read the drug label carefully
19. If you have a question about using an over-the-counter drug, ask the advice of:
- A physician or pharmacist
 - A drugstore sales clerk
 - A trusted friend
 - A helpful neighbor
 - A newspaper columnist
20. A wise way to save money and meet health care needs is to:
- Buy ready-to-wear glasses
 - Waive the requirement for physician's certification on hearing aids
 - Buy glasses by mail order
 - Use generic rather than brand name drugs
 - Always use the least expensive over-the-counter drugs
21. All of the following are dangers of quack medical devices except:
- They may delay proper medical care.
 - They may prolong life for too long.
 - They are a waste of money.
 - They may be harmful when used as directed.
 - They may replace proper medical care.
22. When purchasing and using cosmetics, consumers should be careful about:
- Potential skin reactions
 - Potential contamination
 - Preparations containing dye products
 - All of the above
 - None of the above

23. An important feature of a versatile teenage wardrobe is:
- a. Many special occasion garments
 - b. Fad items
 - c. Fabrics for each different season
 - d. Designer wear
 - e. Mix and match items
24. The three most important features of infant clothing are:
- a. Comfort, safety, and convenience
 - b. Snaps, buttons, and ties
 - c. Lightweight fabric and open style
 - d. Current size and washable fabric
 - e. Sleepers, undershirts, and waterproof pants
25. Clothes should be sorted for washing based on all of the following except:
- a. Amount of soil
 - b. Fabric type
 - c. Garment size
 - d. Susceptibility to lint
 - e. Degree of color fastness
26. If you find that you frequently require repairs or alteration of ready-made clothing, effective approaches to this problem would include all except:
- a. Take a sewing or alterations class
 - b. Keep a well-stocked sewing box on hand
 - c. Go ahead and wear clothes as is, since ready-made clothing does not always fit perfectly
 - d. Find a competent person in the community to construct your clothing
 - e. Find a clothing store or dry cleaning business which provides alteration services

Part Three: Matching

Directions: Match each type of wool to its description by writing the letter for the wool type in the space provided beside the statement that describes the wool.

- a. Virgin wool b. Reprocessed wool c. Reused wool

- _____ 27. Wool fibers which were used in one product and then used again in another product
- _____ 28. Wool which has not been used in another product's construction
- _____ 29. Wool fibers used previously in a woven or felted product that has never been used by consumers

Directions: Match each clothing-related law to its area of concern by writing the letter for the law in the space provided beside the statement that describes a function/requirements of the law.

- a. Consumer Product Safety Act
- b. Textile Fiber Products Identification Act
- c. Fur Products Labeling Act
- d. Permanent Care Labeling Act

- _____ 30. Requires specification of the country of origin and whether a garment is made from scraps
- _____ 31. Requires care instructions attached to a permanent part of a garment
- _____ 32. Created the commission which enforces the Flammable Fabrics Act
- _____ 33. Requires specification of the country of origin and the manufacturer's name

Part Four: Check the Correct Statements

Directions: Place a check beside each statement below that describes a well-made garment.

- _____ 34. Smooth, flat shirt sleeves
- _____ 35. Fabric cut on the grain
- _____ 36. Evenly spaced puckers
- _____ 37. Smooth, flat, inconspicuous closures
- _____ 38. Widely spaced buttonholes
- _____ 39. Even collar points
- _____ 40. Uniform stitching
- _____ 41. Reinforced buttonholes
- _____ 42. Reinforced pocket corners

Directions: Place a check beside each statement below about laundering clothing that is correct.

- _____ 43. Items of a similar color should be washed together.
- _____ 44. Items which are not colorfast should be washed separately.
- _____ 45. Cool or cold water washes increase wrinkling.
- _____ 46. Clothes should be mended/repaired after washing.
- _____ 47. A general detergent can be used with all water temperatures.
- _____ 48. Spots and stains should be pretreated.
- _____ 49. Oxygen bleaches disinfect clothing.
- _____ 50. Bleaches can remove mildew stains.
- _____ 51. Hot water cleans clothes better.
- _____ 52. Bleach should not be applied directly to clothing.

Part Five: Short Answer

Directions: Write your answer to each of the following questions.

53. Explain the difference between a brand name and a generic drug; tell which you would recommend for a low income consumer and why.

54. State four factors which influence family clothing expenditures.

- a. _____
- b. _____
- c. _____
- d. _____

55. State three alternatives to buying new clothing for special occasions.

- a. _____
- b. _____
- c. _____

56. List three self-help features available on children's clothing.

- a. _____
- b. _____
- c. _____

57. When choosing an alteration or sewing service, what are two points that should influence your choice?

a. _____

b. _____

(NOTE: If the following activities have not been completed prior to the test, ask your teacher if/when they should be completed.)

- 58. Complete personal health and grooming terms puzzle (Assignment Sheet 1).
- 59. Review health and grooming products (Assignment Sheet 2).
- 60. Interpret medication labels (Assignment Sheet 3).
- 61. Identify safety concerns for grooming and cosmetic products (Assignment Sheet 4).
- 62. Review consumer fabric protection laws (Assignment Sheet 5).
- 63. Gather information for selecting health and grooming supplies (Job Sheet 1).
- 64. Analyze selection of grooming and cosmetic products (Job Sheet 2).
- 65. Update a wardrobe (Job Sheet 3).
- 66. Compare clothing items (Job Sheet 4).
- 67. Select family clothing (Job Sheet 5).
- 68. Demonstrate clothing maintenance in a laundromat skit (Job Sheet 6).
- 69. Arrange for clothing related services (Job Sheet 7).

MEETING PERSONAL GROOMING AND CLOTHING NEEDS

UNIT III

ANSWERS TO TEST

Part One

- | | | | | |
|--------|--------|--------|-------|--------|
| 1. a, | 2. e, | 3. i, | 4. n, | 5. j, |
| 6. b, | 7. f, | 8. i, | 9. c, | 10. g, |
| 11. k, | 12. l, | 13. m, | 14. d | |

Part Two

- | | |
|-------|-------|
| 15. d | 21. b |
| 16. c | 22. d |
| 17. c | 23. e |
| 18. e | 24. a |
| 19. a | 25. c |
| 20. d | 26. c |

Part Three

27. c
28. a
29. b
30. c
31. d
32. a
33. b

Part Four

34, 35, 37, 39, 40, 41, 42 should be checked

43, 44, 47, 48, 50, 51, 52 should be checked

Part Five

53. A brand name drug is sold under a name given by the manufacturer which may or may not be descriptive of the chemical content of the drug. A generic drug is sold under a name which describes its chemical content. Usually generic drugs are less expensive than brand name drugs. A low income consumer would usually want to buy the generic drug because it is less expensive.
54. Any four of the following in any order:
Number of family members
Age of family members
Social status of the family
Income level of the family
Importance of clothing
55. Accessorize what you have, rent, and borrow from others

56. Any three of the following in any order:
Openings in the front
Wide armholes
Pull-on pants with wide legs
Large buttons and easy to open buttonholes
Attached belts
Front zippers
Velcro fasteners
57. Ask friends, relatives, or business persons to recommend a person/service.
Evaluate the service to determine if it will meet your needs.
- 58-62. See Answers to Assignment Sheets
- 63-69. Evaluated to the satisfaction of the teacher in accordance with evaluation criteria on the Job Sheets.

MEETING TRANSPORTATION NEEDS

UNIT IV

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to use terms related to transportation, select and obtain appropriate means of transportation, maintain and clean an automobile and bicycle, and contribute effectively to family transportation needs. Competencies will be demonstrated by completing Assignment and Job Sheets and achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, MATCH TERMS RELATED TO TRANSPORTATION TO THE CORRECT DEFINITIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline, COORDINATE FAMILY TRANSPORTATION NEEDS by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.
3. Based on the content outline and Transparency Master 1, SELECT APPROPRIATE TRANSPORTATION by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2, 3, or Job Sheet 2.
4. Based on the content outline, DETERMINE COSTS OF OPERATING A MOTOR VEHICLE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 2.
5. Based on the content outline, IDENTIFY STRATEGIES FOR CONSERVING TRANSPORTATION COSTS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 4.
6. Based on the content outline and Transparency Master 2, SELECT A MOTOR VEHICLE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 3.
7. Based on the content outline, DESCRIBE SOURCES FOR FINANCING A MOTOR VEHICLE PURCHASE by attaining 100 percent accuracy on the Unit Test.

8. Based on the content outline and Transparency Masters 3-6, DEMONSTRATE PROCEDURES FOR SERVICING AND MAINTAINING A MOTOR VEHICLE by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5 or Job Sheet 4.
9. Based on the content outline, DESCRIBE SAFE WINTER DRIVING PRACTICES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6.
10. Based on the content outline, DEMONSTRATE PROCEDURES FOR CLEANING AND MAINTAINING A MOTOR VEHICLE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 5.
11. Based on the content outline and Transparency Master 7, DESCRIBE HOW TO SELECT A BICYCLE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 3.
12. Based on the content outline and Transparency Masters 8-10, DEMONSTRATE PROCEDURES FOR MAINTAINING BICYCLES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6.

MEETING TRANSPORTATION NEEDS

UNIT IV

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement and reinforce information provided in this unit.

(NOTE: This step should be completed prior to teaching this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss Unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.
- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Ask mechanics of various vehicles to present pointers to look for when selecting quality vehicles.
3. Conduct a product analysis of the many products available for vehicle maintenance and analyze the ratio of cost to benefit for the consumer.
4. Ask a used car buyer to share experiences regarding the purchase of such vehicles.
5. Develop "consumer pointer sheets" regarding vehicle care, repair, purchasing and so forth. Distribute these to students or post on bulletin boards to inform the total school about vehicle care and maintenance.

- I. Give test.

- J. Evaluate test.
- K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 - 1. TM 1--Public Transportation
 - 2. TM 2--Before You Buy, Check--
 - 3. TM 3--Checklist for an Engine Tune-Up
 - 4. TM 4--Three Common Types of Tires
 - 5. TM 5--Oil Number Rating Systems
 - 6. TM 6--Automobile Lubrication Points
 - 7. TM 7--Bicycle Seat Height
 - 8. TM 8--Bicycle Lubrication Points
 - 9. TM 9--Bicycle Chain Wheel
 - 10. TM 10--Bicycle Rim Alignment
- E. Assignment Sheets
 - 1. Assignment Sheet 1--Complete Transportation Terms Puzzle Wheel
 - 2. Assignment Sheet 2--Choose Public or Private Transportation
 - 3. Assignment Sheet 3--Analyze the Decision to Purchase a Motorcycle
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 - 6. Job Sheet 6--Change, Patch, and Seal a Bicycle Tire
- I. Unit Test
- J. Answers to Test

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Meeting Transportation Needs Unit IV

Cross-Reference Table of Instructional Materials

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D.3.	4				JS 2	18-19, 26-32, 43	MIXB3; MIXH3
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D.5.	6	TM 2			JS 3	17, 46	MIXH3, SSXM3
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D.10.	11	TM 7			JS 3	33-36, 38-41	MIXB3, SSXM3
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*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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MEETING TRANSPORTATION NEEDS

UNIT IV

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1; AS 1]

- A. Air filter--part in the air cleaner that removes dust and particles from the air so they do not enter the carburetor.
- B. Alignment--process of correcting front wheel position until rim is perpendicular to ground in order to improve handling and reduce tire wear.
- C. API number grade--American Petroleum Institute oil testing and rating system.
- D. Bearings--metal parts designed to reduce friction between two other moving metal parts.
- E. Compression--application of pressure to the fuel/air mixture in the combustion chamber to create a force to power an engine.
- F. Cylinder--hollow pipe in the engine block that allows the piston to move up and down in the cylinder, compressing the fuel/air mixture to drive the car.
- G. Depreciation--value a vehicle loses as it gets older.
- H. Distributor--part of the ignition system that regulates and distributes (electric) voltage to the proper cylinder at the correct time.
- I. Emission--byproducts expelled in automobile exhaust.
- J. Engine timing--ability of valves, ignition, and other automobile parts driven by the engine to work together for maximum efficiency.
- K. Gasket--rubber or metal plate placed between parts to cushion against wear and prevent leakage.
- L. Gas turbine engine--engine or motor driven by the pressure of hot gases.

- M. Hypothermia--below-normal body temperature usually resulting from exposure to cold; can result in death.
- N. Ignition--system that provides electric current to light or ignite fuel charge by means of a spark (gas engine) or by heat of compression (diesel engine).
- O. Moped--motorized vehicle that is a cross between a bicycle and a motorcycle.
- P. Octane rating--measure of the resistance a gasoline has to engine knock.
- Q. SAE number grade--Society of American Engineers oil testing and rating system.
- R. Spokes--metal arms inserted in the hub of the wheel to support the rim.
- S. Synthetic fuel--fuel made from products other than oil, such as corn, shale oil and coal.
- T. Tire rotation--schedule of moving tires to different positions on the vehicle to assure even tread wear.

II. Coordinate family transportation needs.

[Objective 2; JS 1]

- A. Personal transportation is costly.
- B. Family members are involved in many different activities which may require transportation.
 - 1. If the family has only one car, conflicts can often arise among individual schedules.
 - 2. Coordinating schedules for car usage can help to reduce frustration.
- C. Factors to consider in coordinating family transportation
 - 1. Means of transportation available to family members
 - 2. Relative dependence/independence of each family member
 - 3. Family values and goals
 - 4. Balancing the needs and wants of all family members
 - 5. Safety aspects of transportation choices
 - 6. Family resources
 - a. Time

- b. Energy
- c. Money

III. Select appropriate transportation.

[Objective 3; TM 1; AS 2, 3; JS 2]

A. Points to consider when analyzing available choices

1. What transportation choices are available to you?
2. What are your needs?
3. What are the comparative costs and how do these relate to your financial situation?
4. What are your personal preferences?
5. What are the safety considerations?
6. What choices are convenient and comfortable for you?
7. What is the effect on resource conservation?
 - a. Environmental resources
 - 1) Clean air
 - 2) Energy/fuel
 - b. Personal resources
 - 1) Time
 - 2) Energy
 - 3) Money

B. Automobiles

1. Currently there are more than 100 million cars in the United States.
2. Purchasing, repairs, and related expenses for an automobile account for about 12 percent of total U.S. income.
3. About one in six people are employed in the automobile or related industries.
4. The automobile is the primary method of transportation in the United States.
 - a. Only about 20 percent of the population use other means of transportation, such as bus, taxi, or other vehicle.
 - b. The use of public transportation appears to rise and fall with the cost of gasoline.
5. The use and misuse of automobiles results in about 30,000 deaths and more than 2 million injuries per year.
 - a. As a result of these figures, the National Highway Traffic Safety Administration has worked to increase auto safety through improved braking systems, impact absorbing bumpers, safer car seats, and mandatory seat belt systems.
 - b. The costs of additional automobile safety features are passed on directly to consumers,

causing consumers to purchase cars less frequently.

- c. Other measures would help to increase driver safety.

- 1) Enacting stiffer drunk-driving laws
- 2) Reducing road hazards through the use of energy-absorbing materials in road signs, off ramps, and bridge abutments

C. Alternate forms of transportation

1. Walking

- a. No expense
(NOTE: Although investment in a good pair of walking shoes may be considered.)
- b. Also provides exercise and recreation
- c. Conserves environmental resources (clean air and fuel)
- d. Requires more time and personal energy
- e. Safety, regarding area and time of day/night, must be considered.
- f. Generally not appropriate for long distances, for carrying large or heavy loads, or in bad weather

2. Bicycles are an efficient form of transportation.

- a. Inexpensive to acquire, use, and maintain
- b. Also provide exercise and recreation
- c. Conserve environmental resources (clean air and fuel)
(NOTE: Bicyclists obtain energy equivalent to 1,000 miles per gallon of gasoline.)
- d. Requires more time and personal energy
- e. Safety, regarding area and time of day/night, must be considered.
- f. Generally not appropriate for long distances, for carrying large or heavy loads, or in bad weather
- g. See sections XI and XII for more information on selecting and maintaining bicycles.

3. Mopeds provide a motorized option for the bicycle or the motorcycle.

- a. Operate at about 30 miles per hour (top speed is about 35-40 miles per hour)
- b. Fuel efficient--get about 100-120 miles per gallon of gasoline
- c. Mopeds have an excellent safety record.
- d. Relatively inexpensive to use and maintain
- e. Not appropriate for heavy city traffic and highways
- f. Generally not appropriate for long distances, for carrying large or heavy loads, or in bad weather
- g. See section X for more information on moped use and safety

4. Motorcycles are an energy efficient option.
 - a. Fuel efficient--get up to 70 miles per gallon of gasoline. (The larger the engine on the motorcycle, the more gasoline the motorcycle consumes.)
 - b. Provide recreation as well as transportation
 - c. Less expensive to use and maintain, although a motorcycle may be as expensive to purchase as a car
 - d. Not appropriate for large or heavy loads or in bad weather
 - e. Size of the motorcycle determines its relative safety of use in heavy city traffic and on highways.
 - f. Generally not as safe to operate as a car
5. Public transportation/mass transit is another alternative to the personal car.
 - a. Public transportation includes buses, subways, taxis, and commuter trains.
 - b. Convenience and availability are factors to consider in using public transportation.
 - c. Safety factors must be considered.
 - d. Buses
 - 1) Only available on a set route
 - 2) Not available in all areas
 - 3) Only available on a set schedule
 - 4) May not be available during late evening and night hours
 - 5) Less expensive than owning and maintaining a personal car
 - 6) More time consuming to use
 - 7) Crowded during rush hours
 - e. Taxicabs
 - 1) Door-to-door service
 - 2) May be available on a 24-hour basis
 - 3) Limited availability during rush hours and in bad weather
 - 4) Expensive to use
6. Car pools
 - a. For people who come and go to the same places at the same time (for example, workers who work at the same facility, parents who take children to school or activities)
 - b. Reduces parking problems and traffic congestion
 - c. Conserves fuel
 - d. Inconvenient and restrictive because needs of all persons in the car pool must be considered
 - e. Does not meet transportation needs outside the carpool situation
 - f. Provide companionship

IV. Determine costs of operating a motor vehicle.

[Objective 4; JS 2]

A. Fixed costs

1. Insurance: usually based on the number of miles traveled.
2. Depreciation:
 - a. Vehicle loses value over time owned.
 - b. Value is highest during first year of ownership.
 - c. The longer you keep your car, the less depreciation cost you must account for.
 - d. The longer you keep your car, the greater your expense for tires, oil and other general repairs.
3. Interest: if you take out a car loan, you will pay a finance charge for the use of the money.
 - a. When shopping for a car, seek a loan with the lowest interest rate.
 - b. Compare the amount of interest you will pay on borrowed money to the amount you could earn on a similar amount kept in the bank. It may be better to borrow than to pay cash for your car.
(NOTE: Borrowing could be better than paying cash if it means using up your savings for emergencies.)
4. Taxes and business fees: these vary from state to state.
5. Parking costs: depending on where you work, these can be very costly.

B. Variable costs

1. Gasoline
 - a. Cost of gasoline for a standard or luxury sized car is much greater than for a subcompact.
 - b. To save money, do not purchase a gasoline grade higher than you need.
 - 1) Gasolines are sold by octane rating
(NOTE: No federal standards exist regarding gasoline rated as premium or regular.)
 - 2) The octane rating you buy should not cause engine knock which can damage your car.
 - 3) To determine if the octane rating you are using is appropriate:
 - a) Have your engine tuned to manufacturer's specifications.

- b) When your gas is low, fill with the brand you normally use.
 - c) Warm up your engine by driving a few miles.
 - d) Come to a complete stop, then step on the accelerator hard and listen for pings or knocks.
 - e) Use up the existing tank of gasoline.
 - f) Refill with the next highest octane rating.
 - g) Repeat the acceleration test.
 - h) If you hear no knock with the lower octane rating, this is the gasoline you should use.
 - i) Also test the gasoline brand you are currently using; use it up.
 - j) Then fill tank with the next lower rating.
 - k) Repeat the acceleration test.
 - l) If no knock occurs, you may want to continue the process until you are using the lowest octane rating your car will tolerate without knocking.
2. Fuel economy ratings displayed on a car when purchased may not be the mileage you experience with the car.
- a. If your driving does not correspond to the manufacturer's tests, you may experience greater or lesser gasoline usage.
 - b. Colder temperatures reduce fuel efficiency, as do snow, rain, and ice.

C. Maintenance costs

- 1. About \$50 billion dollars per year is spent on car repairs in the United States.
 - a. Costs for repair can vary greatly from one mechanic or shop to another.
 - b. By knowing a number of maintenance techniques, you can reduce your car repair costs.
- 2. Reading and following your owner's manual can help to cut costs.
- 3. Know when to do tune-ups, oil changes, tire replacements and general checking of various parts of your car.
- 4. The size of the car influences how much it costs you to drive it.
- 5. Most car owners replace their vehicles after about five years.
- 6. Maintenance costs go up over time.
- 7. To lower your driving costs, get a car for the lowest price, maintain it in mechanical order,

secure insurance that provides you the most coverage at the best cost.

V. Identify strategies for conserving transportation costs.

[Objective 5; AS 4]

A. Financial impact of the automobile on American society

1. Americans have spent trillions of dollars organizing our society around the automobile (roads, bridges, service stations, car dealers and parts dealers).
2. The automobile industry produces about 10 percent of our Gross National Product.
3. Thirty percent of personal transportation is by automobile.
4. Cars generate approximately half the pollution in American cities.
5. The automobile is the leading cause of death for people ages 15 to 35.
6. Cars currently consume about 5.2 million barrels of oil per day.
7. Oil production is expected to peak over the next two decades.
(NOTE: This could mean that there will be more cars and less gasoline to run them.)
8. Because of a gasoline shortage in 1979, manufacturers of cars began to down-size models.

B. Fuel-saving tips

1. Avoid rapid acceleration when traffic lights are green.
2. Try to combine trips rather than making several trips (i.e., go to the supermarket and car wash in one trip).
3. Do not idle your engine for long time periods. Turn on your car and begin driving at moderate speed until car engine warms up.
4. Drive slower. A speed of 50 instead of 70 saves from 12 to 35 percent of your fuel. (The variation results from wind resistance and make of car.)
5. Maintaining tire pressure as recommended in the owner's manual reduces friction.
6. Get the engine tuned up.
7. Replace older, less efficient auto parts with newer, more energy-efficient replacements.
8. Radial tires may increase fuel efficiency by three to five percent.
9. Buy a lighter car or one with a manual transmission, which has ten percent better fuel economy than an automatic transmission.

10. Eliminating air conditioning can increase fuel economy by 5 to 12 percent.
(NOTE: If you must leave your windows open at highway speeds, what you have gained by not using air conditioning is lost since increased wind friction reduces fuel economy.)
11. You may want to share rides with others who live and work in the same area.
(NOTE: You may need to check your insurance coverage concerning carrying passengers. Some insurance companies give a discount to those who have less mileage for work.)
 - a. Some states have set up special lanes on highways for use by car pools.
 - b. In some areas, computer systems have been developed to match car poolers who live and work in the same areas.
 - c. The more miles you commute, the more money you save by car pooling.

VI. Select a motor vehicle.

[Objective 6; TM 2; JS 3]

- A. Considerations when buying a car
 1. Shopping around can help you determine where you can purchase the most car for the least money.
 2. Talk to others who have bought from a dealer to determine the dealer's reputation.
 3. Analyze the services offered by the dealer.
(Determine what guarantees/warranties are available, forms of payment, qualifications of personnel and so forth.)
 4. Decide whether you want to purchase from a dealer close to home or out-of-town.
 - a. Initially the car may be cheaper if purchased from an out-of-town dealer.
 - b. Servicing of your car may be more convenient from a dealer close to home.
- B. To determine if the cost of the car quoted by the dealer is reasonable, you can:
 1. Visit several dealers and compare costs.
 2. Check publications available at newsstands which compare costs.
 - a. You may want to review publications such as Consumer Reports.
 - b. For a small fee, you can contact Car/puter International, Inc., 1603 Bushwick Avenue, Brooklyn, N.Y. 11207 and receive a computer printout of dealer costs and list prices for

selected models with options. In this way you can determine what the car costs the dealer, what markup has been added to the car and what amount to bargain for.

3. Buying services help to compare values.
 - a. Buy the car from the dealer who gives you the best price, warranty, and service package.
 - b. The dealer the service identifies may not be as dependable as a dealer you select.
 - c. These services can save you time and trouble in arranging to buy a car. A few car buying services are:
 - 1) Nationwide Auto Brokers, 17517 West Ten Mile Road, Smithfield, MI 48075.
 - 2) American-Wide Auto Buying Service, Inc., 2507 David Broderik Tower, Detroit, MI 48226
 - 3) Motor Club Auto Buying Service, 14411 West Eight Mile Road, Detroit, MI 48235

C. If you decide to buy a used car:

1. Check it over thoroughly for bumps, paint color differences, or other body work indicating a possible accident.
2. Use Consumer Reports Buying Guide for types of tests you can perform on your own to determine if the car is worth purchasing.
3. Have a reputable mechanic check the car out for you.
4. To determine if an older car has any safety defects, contact the Auto Safety Hotline at the Department of Transportation, Washington, D.C. 20550, 800-424-9393 (except for District of Columbia).

VII. Identify sources for financing a motor vehicle purchase.

[Objective 7; see also Unit IX]

- A. A new car loses a considerable amount of its value once it leaves the showroom lot.
- B. Leasing a car may be preferable to buying one.
 1. Leasing could be cheaper than buying.
 2. More and more cars are leased by business persons.
 3. In some cases, auto insurance is less if you lease.

C. Arrange financing of motor vehicle.

1. Apart from home loans, the major debt item of most Americans is the auto loan.
2. Obtaining financing
 - a. Sources of credit may include finance companies, banks, credit unions, and savings and loan associations.
 - b. Shop for credit just as you do for any other goods or services.
3. Creditors who consider you for a loan are looking for three things:
 - a. Capacity--your ability to repay debts.
 - b. Collateral--assets you own that could be sold to pay off the debt.
 - c. Character--your record of paying off your debts.
4. You need to determine the degree of personal debt you can carry.
5. See Unit IX, "Obtaining Financial Assistance," for information on obtaining loans and related activities.

D. Purchase motor vehicle insurance.

1. Carrying adequate insurance is an important responsibility of a car owner.
2. Motorists need to be concerned about automobile insurance since the chances are high that they will suffer an accident.
(NOTE: The average driver is typically involved in two accidents over an eight-year period and is at fault for at least one of these accidents.)
3. See Unit X, "Planning for the Future," for information on auto insurance and related activities.

VIII. Service and maintain a motor vehicle.

[Objective 8; TM 3-6; AS 5; JS 4]

- A. To be assured that your car is being repaired by a reliable mechanic, check his/her certification.
1. The National Institute of Automotive Service Excellence has certified mechanics since 1972. To receive such certification a mechanic:
 - a. Must have two years of experience in the area in which they are tested.
 - b. Must pass a written examination.
 - c. Can be certified in one, two, or up to eight categories, including engine tune-up, automatic or manual transmission, front-end

brakes or rear axle, engine repair, heating and air conditioning and electrical systems.

(NOTE: The National Institute can provide you with a list of certified mechanics and their locations. There is a small fee for the service. Write the Institute at 1825 K Street N.W., Washington, D. C. 20006.)

2. The Automobile Association of America has an auto repair service program.
 - a. The organization inspects the repair service and questions customers concerning their satisfaction, then provides a sticker with its letters AAA and "Approved Auto Repair."
 - b. Your local AAA will provide you with the names of approved shops within your area.

B. Automotive air filter

1. The dry filter uses treated paper folded into pleats held in place by plastic ring holders. The paper is covered by screen on the inside and outside. The outside screen holds the paper in shape; the inside screen protects the filter from flows in case the car backfires.

(NOTE: As the filter gets dirtier, it adds an extra layer of filtering material which increases the filter's efficiency. Eventually, however, the layer of dirt becomes too thick and must be changed.)
3. Changing the air filter
 - a. Remove filter from the round, metal housing on top of the carburetor by loosening the wing nut on top of the lid and removing the lid. Lift the filter.
 - b. Wipe out filter housing with a clean cloth.
 - c. Place new filter in metal housing; replace lid and wing nut.

C. Automobile tires

1. Knowing if you need new tires involves checking tread wear.
 - a. Today's tires come equipped with tread wear bars that cut across the tread, letting you know replacements are needed if the bars are visible.
 - b. To check your tires, push a penny between treads; if Lincoln's head is not covered partially, replace your tires.
2. The Uniform Tire Quality Grading System (1980) can be used to help you evaluate a purchase.
 - a. All passenger car tires in the United States must include tread wear, temperature

- resistance and traction on the tire's sidewall.
- b. Tread wear uses a minimal grading system of 50 to 200.
(NOTE: The U. S. Department of Transportation considers an average tire to have a treadwear of 100. The higher the rating, the more miles a tire gets. If a tire is rated at 130, it is expected to go 30 percent more miles than the average tire.)
- c. Temperature resistance is graded at A, B, or C. A C rating is considered average, B and A exceed the standard. The higher the grade, the more resistant the tire is to road friction or heat.
- d. Friction is graded similarly to temperature resistance. A grade C is considered average. A or B grades indicate higher degrees of tire traction.
(NOTE: A C-graded tire has poor traction on wet roads.)
3. Choose new tires based on the conditions under which you typically drive.
- a. Three types of tires are currently on the market
- 1) Bias tires: Least expensive; made of two, four or more layers of polyester, nylon or rayon placed diagonally across the width of the tire.
(NOTE: These tires tend to be more affected by heat and friction than other types of tires.)
 - 2) Belted bias tire: More expensive than the bias tire; contains extra layers of polyester, rayon or nylon under the tread area.
 - a) Longer lasting
 - b) Better traction on wet pavement
 - 3) Radial tires: Layers of material occur straight across the tire increasing strength and layers of material (belts) are applied atop the base material.
 - a) Less likely to puncture
 - b) Longer tread than even bias or belted tires
- b. Tire sizes
- 1) A number system may be used, such as 6.24-14.
 - a) First number indicates width of inflated tire.
 - b) Second number is diameter of rim which holds tire.
 - 2) A service system may be used, such as E78-14.

- a) Letter refers to tire tread sign.
- b) The higher the letter, the wider the tire tread. The number 78 refers to the tires height to width ratio. The tire is 78 percent as high as wide.
- c) The second number, 14, refers to the wheel diameter the tire fits.
- 3) A millimeter system may be used with some radial tires, for example:
195 R 14
 - a) 195 refers to the width of the tire in millimeters.
 - b) R refers to radial type
 - c) 14 refers to the rim width the tire fits.
- 4) Changing tires involves several steps.
 - a) Knowing how to change a tire is essential for emergency situations.
 - b) It is important that your mechanic change your tires correctly to assure safety.
 - c) Automobile tires should be rotated periodically to assure even tread wear.
(NOTE: Check your owner's manual for rotation recommendations.)

D. Automobile oil and oil filter

- 1. If engine oil is low or dirty, engine parts wear out sooner.
- 2. A car's oil flows through the oil filter to be cleaned.
- 3. Two types of oil filters are commonly used today.
 - a. Surface type filter: Pleated paper fitted into a casing. The quality of this type of filter depends on:
 - 1) Quality of paper used.
 - 2) Quantity of paper used.
 - 3) Treatments applied to the paper to improve its filtering properties.
 - 4) Quality of the filter's construction.
 - b. Combination type filter: Uses pleated paper applied around cotton or rayon fibers
 - 1) Made up of 7 to 9 feet of paper.
 - 2) Catches more dirt and lasts well from oil change to oil change.
- 4. Cold engines should be run for 10 to 15 minutes before the oil is changed.
(NOTE: When the engine is cold, impurities may settle to the bottom of the crankcase and remain there while the oil is drained.)

5. Several steps are involved in draining the oil
 - a. The car must be raised off the ground using hydraulic lifts or special stands owners can use in their own garage.
 - b. Place a drain pan under the engine oil-pan drain hole.
 - c. Remove the plug to allow the oil to drain out.
 - 1) Remember the drain plug and oil will be hot, so avoid burning your fingers or splashing oil on yourself.
 - 2) Use the correct wrench size to remove the drain plug and allow sufficient time for all the oil to drain out completely.
 - d. When all oil is drained, replace and tighten the drain plug.
(NOTE: Use caution when tightening the plug. If the drain plug is left too loose, oil will be lost; if tightened until the threads are stripped, oil will leak out.)
6. Changing the oil filter
 - a. Place an oil drain container under the oil filter.
 - b. Using a wrench designed to loosen the filter housing, place the wrench appropriately and turn counter-clockwise.
 - 1) Once housing is loosened, finish unscrewing with a rag.
 - 2) Use a cloth to hold the housing while removing it, since the filter housing is usually hot.
 - c. Remove the oil filter.
 - d. Place a small amount of oil in the gasket located on the bottom of the filter to prevent the gasket from bending and leaking.
 - e. Twist the filter into place by hand to prevent filter damage.
(NOTE: Some oil filters differ; follow directions for replacement given on the filter box.)
7. Replacing the oil
 - a. Select the oil type appropriate for the automobile.
(NOTE: This information can usually be found on the service sticker placed on the car door or on the service manual for your car at dealer's or service station).
 - b. Oil is selected by SAE numbers and API service classification.
 - 1) SAE numbers refer to oil thickness .
 - 2) API rating refers to the amount of additives contained in the oil to protect the engine.

- c. Check the service manual for your vehicle to determine where and how much oil to add.
- d. Turn on the engine and check for leaks around the oil filter.
 - 1) Try to tighten the filter a bit more to prevent leakage. If that doesn't work:
 - 2) The oil filter gasket may be damaged and need replacing. Turn off engine, remove and replace filter following steps given in section f.

E. Automobile lubrication

- 1. Lubricants are applied to moving parts under the car to keep them supple.
- 2. Materials needed to grease your car include:
 - a. Grease gun
 - b. Grease appropriate for your vehicle (check owner's manual or ask salesperson at auto supply store)
 - c. Rubber lube, which is a liquid applied to rubber parts under the car to keep them flexible
- 3. Parts of your car that need periodic lubrication include the transmission shift linkage, driveshaft, universal joint fittings, steering parts, parking brake cables, clutch linkage.
(NOTE: These areas of the vehicle are not easy to find. Have them cared for twice a year by a good auto mechanic.)
- 4. Ask a service person the number of lubrication points on your model car.
(NOTE: Service shops carry manuals for each model that provide this information.)
- 5. Vehicles should have various parts lubricated every 2 to 3,000 miles.
- 6. For your model car, your grease gun will need an adapter that can be applied at the various points on your car and that directs the grease to the appropriate areas.
(NOTE: Without the adapter, grease will ooze out around the joints you are trying to grease.)

F. Safe winter driving practices

[Objective 9; AS 6]

- 1. Insuring quick starts
 - a. Protect your car from the wind by parking it with the engine facing away from the wind.
 - b. Be sure battery connections are free of corrosion.
 - c. Pump pedal once, then pump halfway before turning on ignition.

(NOTE: Do not try to start the car with the lights and heater on.)

- d. Be sure the spark plug wires are in good condition.

(NOTE: A tune-up will help your car to start better.)

- e. Consider using a lighter weight engine oil and installing a clean filter.

2. Driving on slick pavement

- a. To stop on a slick surface, pump your brakes.
(NOTE: Eventually cars will be equipped with auto locking break systems which pump automatically when you hit slick pavement.)

- b. If stuck in snow, turn your front wheels back and forth to try to push snow away from you tires.

- c. Try rocking your car back and forth by switching from forward to reverse; gun to loosen the car from the snow.

- 1) Be sure to follow your owner's manual concerning what gear to use when rocking your car.

- 2) Avoid spinning your tires as this only digs the car in deeper.

3. Using snow tires

- a. If you have front wheel drive, snow tires go on the front wheels; install them on the rear wheels of conventional cars.

(NOTE: Be sure if using radial or studded tires, you have the same tire type on all four wheels.)

- b. If you skid, ease off the gas pedal and steer in the direction of the skid.

4. Safety precautions

- a. Equip your car for winter in case you get stuck out in the cold.

- b. Carry the following in the trunk of your car

- 1) Shovel
- 2) Two wool blankets
- 3) Coffee can
- 4) Candle
- 5) Five plastic garbage bags
- 6) Flashlight
- 7) Some nonperishable food

- c. If stranded in bad weather

- 1) Use coffee can and candle to melt snow for water.

- 2) Put plastic bags over your body for extra insulation (poke a hole in bag so you can pull it on over your head).

- 3) If your car runs, turn the engine and heater on periodically BUT ONLY FOR SHORT PERIODS.

(CAUTION: Running the engine can cause carbon monoxide poisoning.)

- 4) Do not drink alcohol if stranded as it can rob your body of heat and hasten hypothermia.

IX. Clean and maintain motor vehicle.

[Objective 10; JS 5]

A. Vacuum and sweep out motor vehicle.

1. If purchasing a new vehicle, dealers can provide you with a fabric finish service that helps to keep fabric from soiling.
2. Several aerosol spray products are on the market that can be sprayed on fabric, allowed to dry and brushed or vacuumed off to remove soil
(NOTE: If you have vinyl seats, wash and apply a softening product to prevent cracking, especially during cold weather.)
3. Monthly vacuuming, sweeping or brushing can help to maintain the quality and cleanliness of upholstery and carpeting.
4. Periodically scrub off floor mats, if used, with hot soap and water. Be sure to dry thoroughly before replacing to prevent moisture buildup in carpeting.
5. Wash windows on the inside to remove film that builds up over time and can reduce visibility.

B. Wash and wax motor vehicle.

1. Washing the exterior of the vehicle is important for maintaining the quality of the paint surface.
2. Waxing the surface of the vehicle prevents sun fading and corrosion of the exterior.
3. When preparing your car for winter, you may want a service station to apply a heavy duty wax that holds up well under winter driving conditions and keeps the car's surface from being damaged by winter salt.
(NOTE: Polysealant products are also available that give a better, longer-lasting seal than wax and which are applied in the same manner as wax. One coat usually lasts the winter.)

X. Mopeds and motorcycles

A. Mopeds

1. Good fuel mileage--about 100-120 miles per gallon
2. Easy to use on school campuses and in small towns
3. Can only go about 30-40 miles per hour

B. Advantages of a motorcycle

1. Good fuel mileage--can range from 45 to 70 miles per gallon.
2. Maintenance costs less--only 2 tires; engine is smaller and easier, less expensive to service; requires less work to maintain.
3. Used motorcycles are less expensive than cars.
4. Motorcycles can accelerate faster than a car.
5. It is easier to park, and to find parking spaces.
6. Motorcycles can be used for transportation and recreation.

C. Disadvantages of a motorcycle

1. Big motorcycles are as expensive as cars.
2. Weather exposure while riding a motorcycle is a problem.
3. Only one or two people can be carried.
4. Larger loads cannot be carried.
5. There is a risk of injury and accident (see D. below).

D. Safety factors for motorcycles and mopeds

1. Rider must wear appropriate clothing--helmet, leather gloves, leather jacket if weather requires (leather pants are also appropriate, but many find they are expensive to acquire).
(NOTE: Leather is preferred because it does not tear easily if the wearer slides across ground or pavement and because wind does not go through leather.)
2. Special skill and constant attention are required to drive a motorcycle or moped safely.
3. Smaller motorcycles will not slide in rain as much as a car, however, larger bikes are just as prone to sliding on wet streets as a car.
4. Car drivers do not see motorcycles and mopeds as well as cars on the road, so this can be a hazard.
5. Car drivers have difficulty judging the speed at which a motorcycle is traveling (an optical illusion due to the size of the motorcycle) and, thus, may try to pass motorcycles inappropriately.
6. Injuries can result in motorcycle accidents when the rider hits and/or slides across the ground or pavement (these can be minimized by the use of protective clothing, see 1 above).
7. The rider is more exposed and more vulnerable in accidents.
8. Only larger motorcycles would be appropriate for big city traffic; riders of mopeds and smaller motorcycles are at risk in big city traffic.

E. Service and maintain motorcycle.

1. Caring for your motorcycle is similar to caring for an automobile.
2. Make sure you have appropriate tools. Check with your dealer to determine the basic tools you will need for your motorcycle.
3. Refer to your owner's manual for maintenance and tune-up information.
4. Points to check on the motorcycle:
 - a. Oil
 - b. Lights
 - c. Brakes
 - d. Tires

XI. Select a bicycle.

[Objective 11; TM 7; JS 3]

- A. Selection of a bicycle depends upon the kind of riding you intend to do.
(NOTE: Buy the kind of bicycle you want and will use. Attempts to alter a bicycle, for example by changing the height or tires, are seldom successful.)
- B. The frame of the bicycle you choose should fit your physical size.
 1. Too small or too large a bicycle affects your ability to control the vehicle.
 2. Select bike height by measuring from crotch to floor in stocking feet. Buy bike closest to this measurement.
- C. When selecting a bicycle seat, consider:
 1. Its ability to absorb shock and prevent injury.
 2. Its ability to support the upper body, allowing the legs to pedal easily.
 3. Whether bicycle balance can be maintained when the rider leans forward, backward or sits straight.
 4. Effect on steering control.
(NOTE: No matter what position the rider sits in, he/she ought to maintain control when cornering, going up and down grades and so forth.)
 5. Seat height should be adjusted so that when the ball of the driver's foot holds the pedal in its lowest position, the knee is slightly bent.
 6. Seat position should normally be horizontal. If slanted forward or backward, it will change arm pressure on the handle bars.

D. Handlebars

1. Handlebars are designed for different purposes.
2. Stems for holding the bars to the bike also come in variable styles.
3. Once handlebars have been installed at a comfortable riding position, wrap the ends or install grips or padding for safety.

XII. Maintain a bicycle.

[Objective 12; TM 8-10; JS 6]

- A. Care is influenced by the amount of riding you do.
- B. Clean the bike periodically with a clean, soft, dampened cloth.
1. Be sure all reflectors are clean and in working order for increased bicycle safety.
 2. Do not put lots of soap and water on your bike as it can wash the grease out of the bearings.
- C. All bearings on the bicycle should be cleaned and lubricated.
- D. Refer to your bicycle manual to identify the best lubricant for your model. Some bikes use more than one kind of lubricant.
- E. Changing bicycle tires
1. Once a week, check bicycle tire pressure. Maintain the pressure recommended by the tire manufacturer.
 2. Check tires for a slow leak if you must correct tire pressure frequently.
 - a. Place a bit of soapy water or saliva into the center part of the tire's valve stem.
 - b. If valve stem is leaking, bubbles will form.
 - c. Tighten the valve stem by using the valve cap. Retest to see if you have corrected the problem.
 3. To change a flat tire several steps are followed. See Job Sheet 4 for this procedure.
- F. Replacing bicycle chain
1. The bicycle chain should be lubricated and maintained at the correct tension for your bike.
 2. Procedures for caring for the chain will vary somewhat depending on bike model.

3. The bicycle chain fits on sprockets located on the chain wheel, which is part of the pedal system on the bicycle.
4. Chain wheel sprockets are grooved to fit the chain diameter precisely.
5. As the bicycle chain wears due to use, the chain stretches and increases the wear on chain wheel sprockets.
6. If you note sprocket wear or the chain appears to be loose, replace the chain and the chain wheel.
 - a) Be sure to select a chain that is the correct type and length for your bicycle according to the owner's manual.
 - b) Replacing both a worn chain wheel and chain is better than placing a new chain on worn sprockets which can shorten the life of the chain.
7. Chains on non-racing bikes usually have a master link that connects the chain together. The master link may be held together with a clip that must be removed in order to release the chain.
8. Bend the chain slightly to release the hooked areas of the master clip from the chain. Some specialized bike chains come in one piece and must be broken with a special tool in order to release the chain from the bike.
9. Remove old chain; use it to measure for new chain.
10. Fit chain around rear sprocket and chain wheel.
11. Install master link and clip to hold in place if it comes with your model.

(NOTE: Install master link with end of chain located on each side of one tooth of chain wheel.)
12. Slip master link pins through back of ends of chain.
13. Turn the chain wheel until master link is at bottom of chain wheel with chain ends located on each side of one tooth of chain wheel.
14. Insert side plate and clip to hold it in place with your model bike.

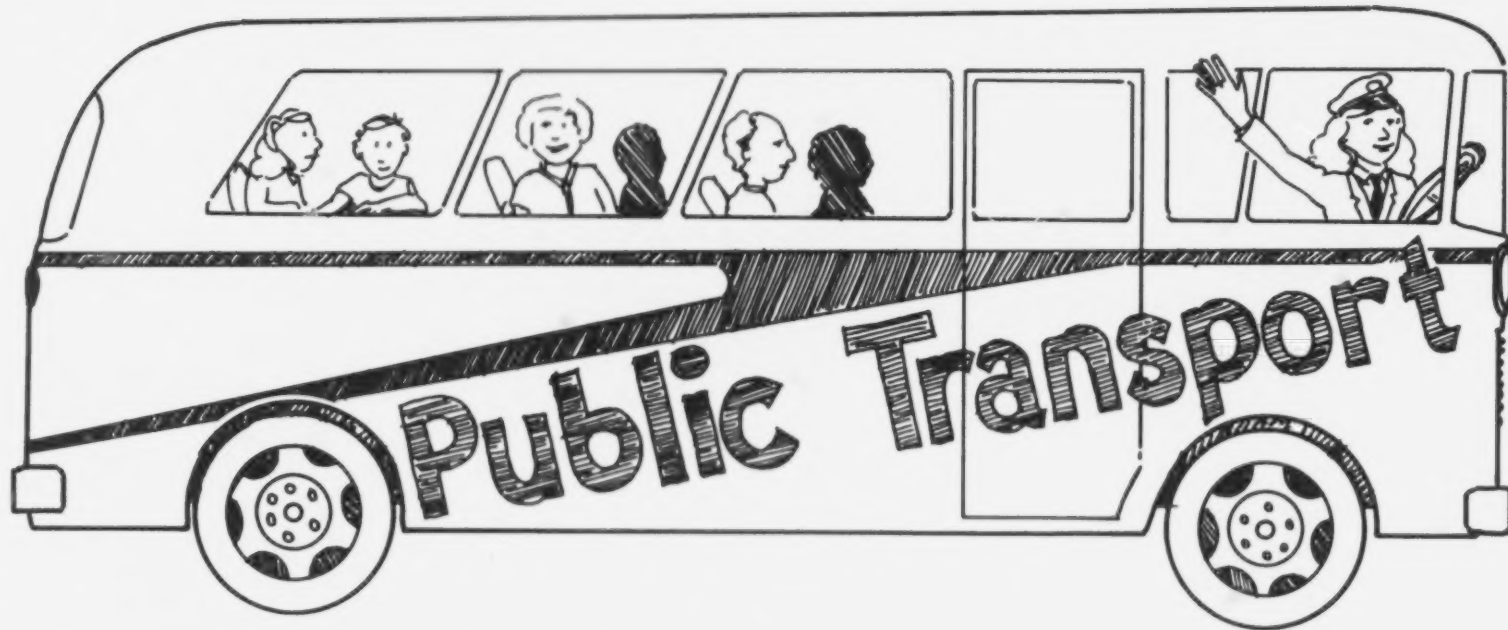
(NOTE: If clip is used, be sure closed end is toward direction chain travels.)

G. Realigning bicycle wheel

1. Wheel alignment depends on spoke alignment. If all spokes are tightened alike, the bicycle wheel is centered and aligned.
2. Bicycle spokes support the rider's weight equally around the entire wheel.
3. To align a rim, follow these steps:
 - a. Center the rim.

- b. To move the wheel rim toward center, loosen the spokes at lower half of the wheel; tighten the spokes on the upper half of the wheel to bring the wheel to center.
(NOTE: All spokes should be tight enough to be firmly in contact with the rim.)
- c. To move wheel rim to the left, tighten spokes to the left, loosen spokes to the right.
(NOTE: Remember, if all spokes are tightened the same amount, the wheel will be aligned.)

Public Transportation



What are the advantages?

Some disadvantages?

Before You Buy, Check...



- Paint
- Body/Bumpers
- Windows/Doors
- Tires
- Chassis
- Fluid Levels/Leaks
- Mileage
- Heater/Horn/Radio
- Fuel Economy
- Safety Features
- Road Test
 - Handling
 - Comfort
 - Noise
 - Engine Performance
 - Braking



Checklist for an Engine Tune-Up

- ✓ 1. Note the customer's concerns; any problems with the car.
- ✓ 2. Road test the automobile.
- ✓ 3. List possible problem areas and parts needed.
- ✓ 4. Clean engine and engine compartment.
- ✓ 5. Clean and inspect battery.
- ✓ 6. Test battery.
- ✓ 7. Test and inspect cranking circuit.
- ✓ 8. Test and inspect the charging system.
- ✓ 9. Test and inspect the ignition system.
- ✓ 10. Test engine compression.
- ✓ 11. Service manifold heat control valve.
- ✓ 12. Service crankcase ventilation system.
- ✓ 13. Test and service exhaust emission control system.
- ✓ 14. Test, inspect, and service fuel system.
- ✓ 15. Adjust valves, if necessary.
- ✓ 16. Provide the customer with a copy of repairs done, parts used, and cost of parts and labor.
- ✓ 17. Provide the customer with a guarantee of parts and labor.

Three Common Types of Tires



BIAS TIRE: A tire with body cords running at angles to each other and to the center of the tire

A bias tire is firm and good for lower speed driving.



RADIAL TIRE: Body cords run at right angles to the center line of the tire

A radial tire has belted cords for additional strength. It is strong and offers good support at high speeds and long distances.



BIAS BELTED: A bias belted tire has cords running at angles to each other and extra belts to strengthen it. It is stronger and stiffer than a bias tire.

CAUTION!

Never mix radial and biased tires. Because of their difference in construction, they can cause steering and handling problems.

OIL NUMBER RATING SYSTEMS

SAE Rating System:

10W40

10W30

All season oils

40, 50

30

Summer oils

20

20 W

10 W

Winter oils

5 W

API Rating System:

SC = for cars 1967 and older

(NOTE: These oils have fume additives)

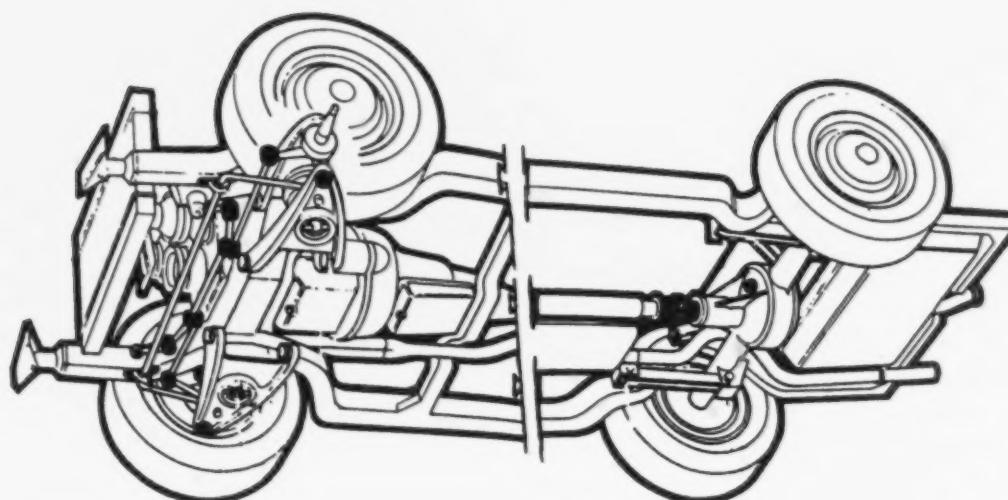
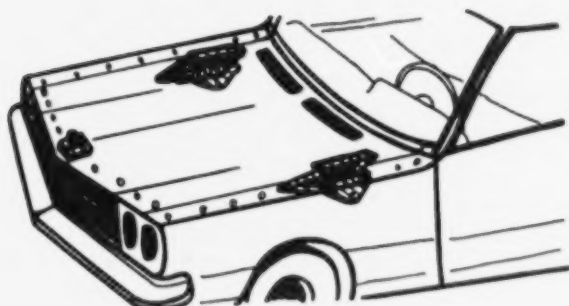
SD = for models from 1968 to 1971

SC = for models from 1972 to present

(NOTE: These oils contain many additives)

Automobile Lubrication Points

Automotive parts must be lubricated often to reduce friction between the moving parts which causes those parts to wear out quicker. Grease is usually applied to lubricate the spot where friction occurs.



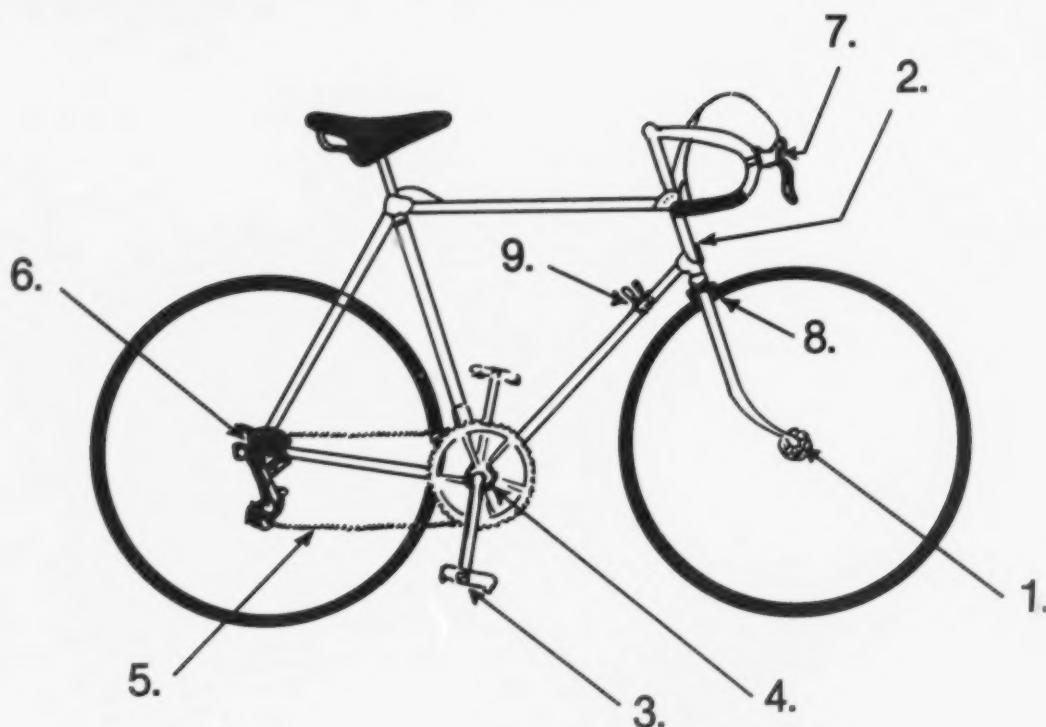
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Bicycle Seat Height



- Ball of foot on pedal
- Pedal at lowest point
- Knee slightly bent

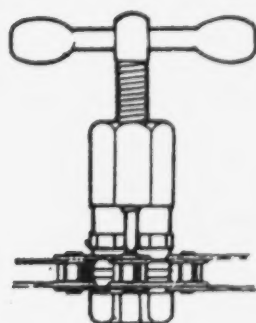
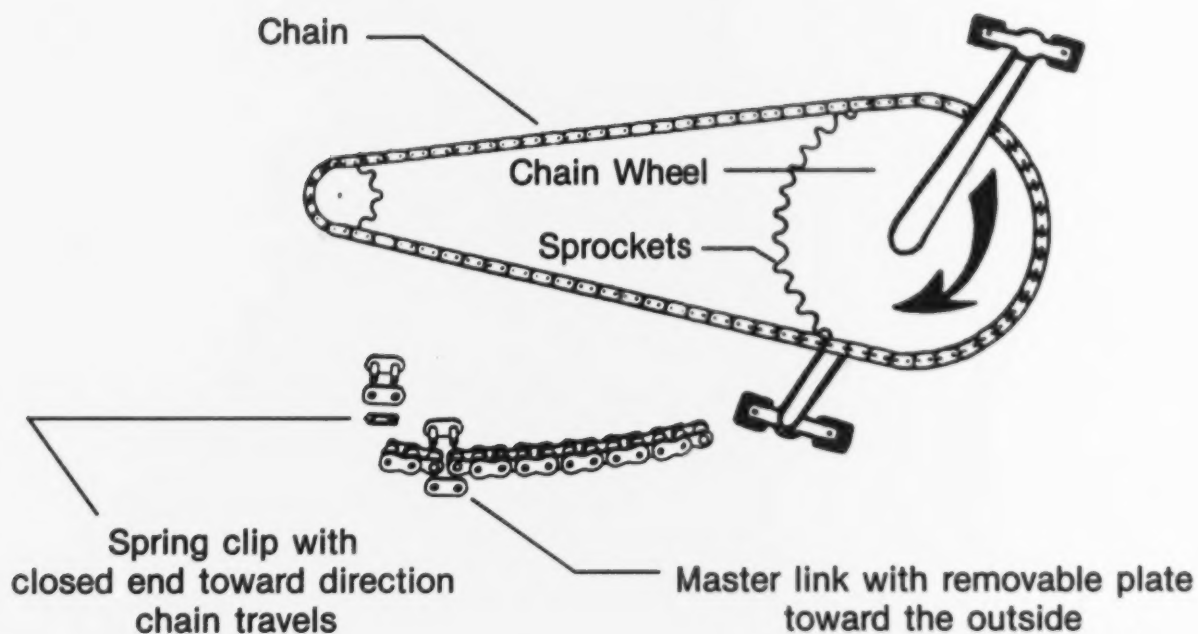
Bicycle Lubrication Points



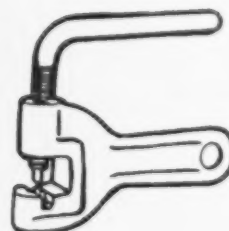
- 1. Front hub bearings
- 2. Steering head bearings
- 3. Pedal bearings
- 4. Crank set bearings
- 5. Chain

- 6. Rear hub bearings
- 7. Brake controls/cables
- 8. Brake pivot bushings
- 9. Shift controls/cables

Bicycle Chain Wheel

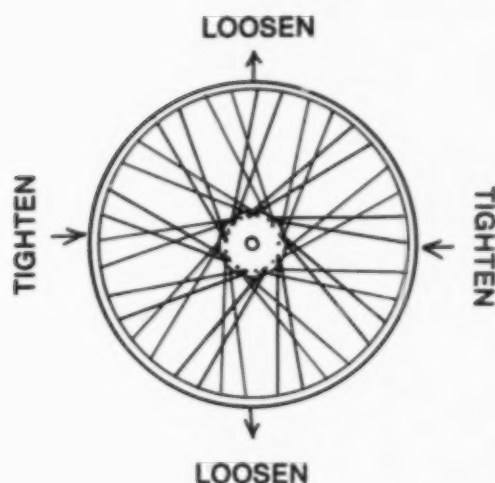


Tool which removes rivets



Tool which replaces rivets

Bicycle Rim Alignment



To align the bicycle rim, loosen and tighten spokes until wheel is aligned.



To move the bicycle rim left, loosen spokes on the right, tighten spokes on the left.

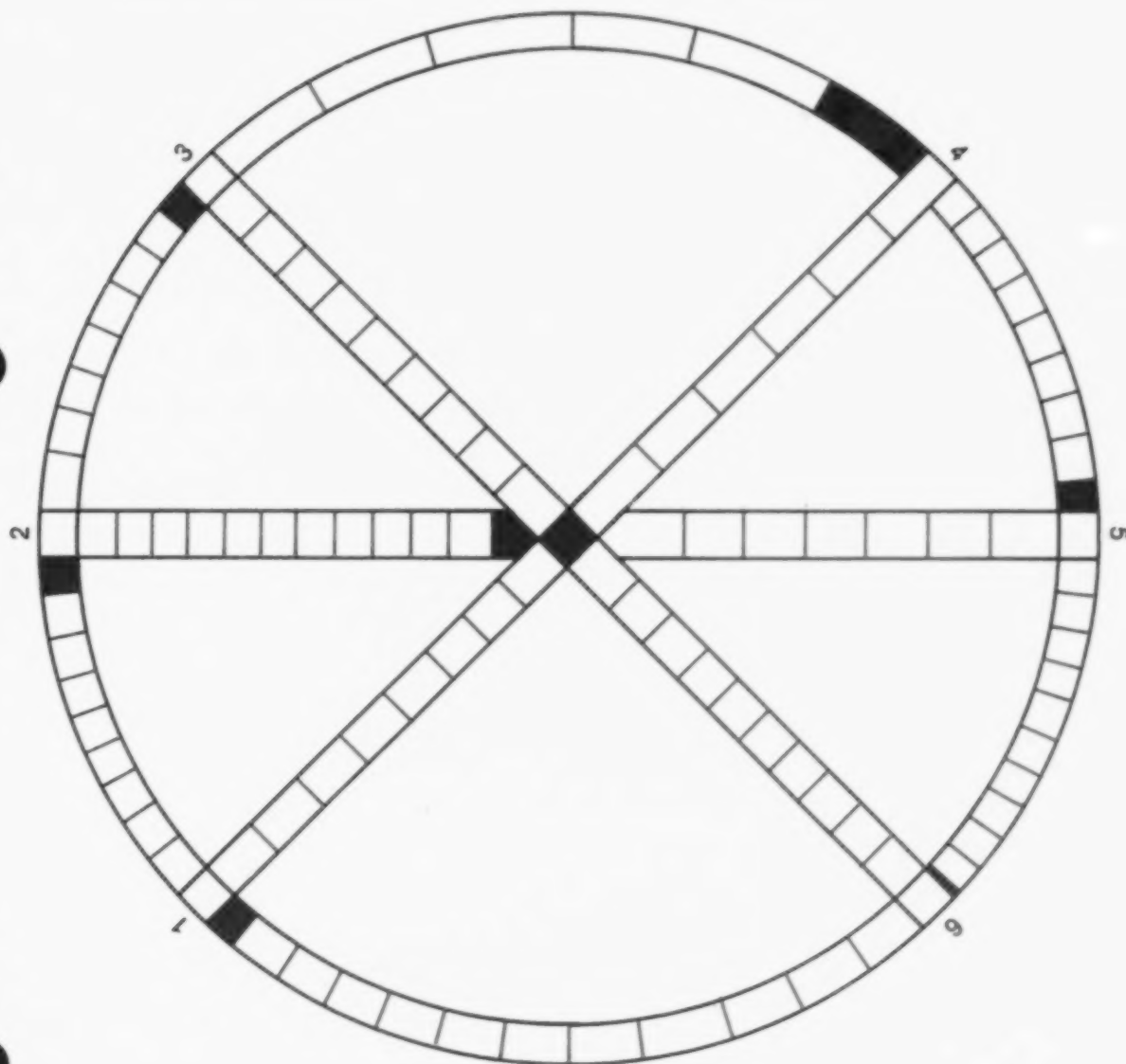
Name: _____
Point Value: _____
Points Earned: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

ASSIGNMENT SHEET 1--COMPLETE TRANSPORTATION TERMS PUZZLE WHEEL

Directions: Complete this puzzle wheel by filling in the transportation terms that match the definitions.



258

Around

1. Process of correcting front wheel position until rim is perpendicular to ground in order to improve handling and reduce wear
2. Byproducts expelled in automobile exhaust
3. Rubber or metal plate placed between parts to cushion against wear and prevent leakage
4. Type of fuel made from products other than oil, such as corn, shale oil, and coal
5. Application of pressure to the fuel/air mixture in the combustion chamber to create a force to power an engine
6. Value a vehicle loses as it gets older

Down

1. Part in the air cleaner that removes dust and particles from the air so they do not enter the carburetor
2. Ability of valves, ignition, and other automobile parts driven by the engine to work together for maximum efficiency
3. Engine or motor driven by the pressure of hot gases
4. Metal arms inserted in the hub of the wheel to support the rim
5. Hollow pipe in the engine block that allows the piston to move up and down in the cylinder, compressing the fuel/air mixture to drive the car

Name: _____
Point Value: _____
Points Earned: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

ASSIGNMENT SHEET 2--CHOOSE PUBLIC OR PRIVATE TRANSPORTATION

Directions: Read the story of Joe and Kathy that follows; then decide what transportation plan you would recommend for them. Explain your decision.

Joe and his wife, Kathy, recently moved to Kansas City. They live in a mobile home park three miles from Joe's office. Kathy, a teacher, is not working now but has applied for a teaching position for the next school year. They own a five-year-old car that is paid for completely.

Joe usually drives his car to work but he is now considering taking the city bus to and from his office. The bus fare is 50 cents each way, and the schedule is convenient. He could catch the bus at the entrance to the mobile home park. But old habits are hard to break, and Joe likes the freedom of having a personal car at his disposal.

Joe recently read that a moderate figure for estimating operating costs of an automobile is 20 cents a mile, excluding insurance. Joe decides to do some mathematical comparisons to aid him in his decision making.

Kathy, meanwhile, points out that if she gets a job next year, she may need to use the car, too. "Besides," she tells Joe, "you could read the morning paper on the bus ride to work and not have to fight commuter traffic, parking, or bad weather conditions."

What would you recommend as a transportation plan for Joe and Kathy? Why?

Name: _____
Point Value: _____
Points Earned: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

ASSIGNMENT SHEET 3--ANALYZE THE DECISION TO PURCHASE A MOTORCYCLE

Directions: Jerri, a friend of yours, has come to you with an alternative to purchasing a car for transportation. As she explains her plan, you are to pick out areas of concern, questions that need to be answered, and some possible disadvantages in using motorcycles as a means of transportation. Make a list of all the things you feel need to be considered when thinking about buying a motorcycle.

"Look," Jerri begins, "I'm tired of my old, gas-guzzling car. It's just too expensive to keep up. I'm going to add some excitement to my life and get a motorcycle!"

She becomes more and more enthusiastic as she continues. "It's a bike for me. They get 70 miles to a mere gallon of gas and on that kind of mileage I could go anywhere I want! They're compact, easy to park, and safe if you wear a helmet. The salesman at the motorcycle dealership told me that his model can really travel!"

Jerri dreams on as she says, "I can just see me now--cruising down scenic roadways, really having fun, and feeling a part of nature. That's what I'm going to do. I'll sell my old car and get a bike. If I can drive a car, I'm sure I can drive a bike. Adventure, here I come!"

What things do you find that Jerri forgot to consider? Do you think she should sell her car and buy a motorcycle? Why or why not?

Name: _____
Point Value: _____
Points Earned: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

ASSIGNMENT SHEET 4--FIND WAYS TO CONSERVE TRANSPORTATION COSTS

Directions: Read each of the situations below and then write what advice you would give to the consumer on how to reduce or conserve his/her transportation costs.

1. Sally is trying to decide which car to buy. She has found a subcompact model that seems ideal for her needs, but she has also seen a beautiful luxury model that has everything a driver could want in a car. Sally works as a paralegal assistant for a law firm located near her apartment. She could afford the payments for either car on her salary, but payments for the larger luxury car would leave little extra in her budget for non-necessity items. What other factors should Sally consider in addition to the amount of the monthly payments? Which car would you recommend Sally buy?
2. Joe is very proud of his new car. He keeps it washed, waxed, and glowing. Joe carefully follows the manufacturer's instructions about servicing the car and keeps it in perfect running condition. He also fills the gas tank with the most expensive, highest grade gasoline. Because Joe likes to drive his car around everywhere, he has been buying a lot of gasoline lately, which has led to a pinch in his budget. Joe has started to wonder how he can save on his gasoline costs. What advice would you give Joe about the grade of gasoline he buys? How can he find out if he is using the appropriate octane gasoline? What about his driving habits? Could Joe conserve there, too?
3. Stewart drives a large, older car. He has had the car for a long time and has developed a sentimental attachment to it. Because the car is quite a gas-guzzler, Stewart briefly considered trading it in on a newer, more fuel-efficient model. But he couldn't bear the thought of parting with his good old car. Now Stewart is wondering what things he can do to conserve on gasoline use. What would you recommend?
4. Amanda is thinking about buying a car. She really doesn't know a great deal about cars, but does know that she wants to buy a car that is both reliable and fuel-efficient. What are some sources of information that Amanda can refer to in order to find the information she wants?

5. The Windmiller family is a very active family. Each person in the family keeps a busy schedule and always seems to be coming or going. The Windmillers even have a family calendar and schedule posted on a conveniently located bulletin board.

Mr. Windmiller works for the Acme Consulting Agency downtown. The office building is on the bus line. However, Mr. Windmiller has his own car which he drives to work every day, because he enjoys the feeling of independence it gives him and also because on some days he must take business clients to lunch. Mr. Windmiller could use a company car when he is on company business, but he feels more comfortable driving his own car.

Mrs. Windmiller also has her own car which she drives to work. This is a necessity for her because she is a real estate agent and uses her car daily to drive clients around town to look at houses.

Terry Windmiller is a freshman college student. She attends a community college which is located near her father's office building. It is also on the city bus line. However, Terry is very active in college activities and also likes to study late in the evening in the college library. On weekends she works at her part-time job in a pizza parlor. She has a used car, which her parents gave her for a high school graduation gift. Terry drives her car to college, to work, and to recreational activities.

Pat Windmiller is a junior high school student. He is very active in the high school band, in various clubs, and tries to attend as many school functions as possible. He also takes music lessons once a week at a music shop downtown. Pat rides the bus to school, but his mother and father often chauffeur him around in the afternoons and evenings to his various activities and lessons. Pat is trying to talk his parents into buying him a motorcycle or a moped, but they have not yet made a decision about this.

Because of the busy family schedule, running errands, especially grocery shopping, sometimes becomes confusing. Mr. and Mrs. Windmiller and Terry pick up groceries whenever they have a chance. The family often laughs at the food duplications and combinations that show up in the refrigerator. Dinner can turn out to be quite a surprise!

For some time the Windmillers have wanted to take a summer trip to Hawaii. They have never been able to save up enough money for this vacation plan, but now have agreed to find ways to cut back in various budget areas in order to save enough for their trip. The Windmillers have decided to set aside a time to discuss their transportation situation. They believe that they are spending too much in this area and would like to come up with a plan to reduce their transportation costs.

Many options are available to the Windmillers to conserve on transportation costs. Think carefully about their situation and tell what recommendations you would make, if you were to participate in their family discussion.

Name: _____
Point Value: _____
Points Earned: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

ASSIGNMENT SHEET 5--SHOW YOUR AUTO TIRE KNOW HOW

Directions: Provide the responses requested for each question below.

1. Indicate two ways to tell if your tire tread is worn out.
 - a. _____
 - b. _____
2. If a tire's tread wear rating is 150, what does that number tell you?

3. If a tire is graded A, what does that grade tell you?

4. Of the three types of tires, which has longer tread life and the greatest puncture resistance?

5. What do the two numbers below mean with respect to tires?
 - a. 7.25 = _____
 - b. 15 = _____

Name: _____
Point Value: _____
Points Earned: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

ASSIGNMENT SHEET 6--DESCRIBE WINTER DRIVING SAFETY TIPS

Directions: Complete this helpful collection of winter driving safety tips by filling in the blanks with the appropriate words from the list below.

A. Terms:

carbon monoxide	direction	alcohol	four
exterior	tune-up	direction	pump
shovels	polysealant	blankets	paint finish
corroded	flashlights	hypothermia	

B. Winter Driving Safety Tips:

1. Waxing your car for winter protects the _____.
2. A _____ gives your car greater protection than car wax.
3. Check your battery connections to see that they are not _____.
4. If you use radial or studded snow tires, they must go on all _____ wheels.
5. Carry items such as _____, _____, and _____ in your trunk for winter safety.
6. If stuck on the road, do not run your car for long time periods as this could cause _____ poisoning.
7. Be sure that you do not drink _____ if stuck in your car on the road.

8. When your body loses heat during cold weather, you could become victim of _____.
9. If you try to stop your vehicle on a slick surface, _____ your brakes.
10. If your car begins to skid on slick pavement, steer in the _____ of the skid.

MEETING TRANSPORTATION NEEDS

UNIT IV

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

Around

1. Alignment
2. Emission
3. Gasket
4. Synthetic
5. Compression
6. Depreciation

Down

1. Air filter
2. Engine timing
3. Gas turbine
4. Spokes
5. Cylinder
6. Distributor

ASSIGNMENT SHEET 2

Answers will vary; evaluated to the satisfaction of the teacher. Answers should show evidence of student's having made reference to sections II, III, and/or IV of the Information Sheet.

ASSIGNMENT SHEET 3

Answers will vary; evaluated to the satisfaction of the teacher. Answers should show evidence of student's having made reference to section X of the Information Sheet.

ASSIGNMENT SHEET 4

Answers will vary; evaluated to the satisfaction of the teacher. The following are suggestions for information to be included in answers:

1. Sally should also consider fuel consumption. To conserve transportation expenses, Sally would choose the subcompact model since it is appropriate for her needs, would have lower monthly payments, and would use less gasoline. (Extra credit: Since Sally's office is near her apartment, she might wish to consider further reducing transportation costs by taking a bus or walking to work.)
2. To save money, Joe should not purchase a gasoline grade higher than he really needs. Gasolines are sold by octane rating. The octane rating Joe buys should not cause engine knock, which could damage his car. To determine if the octane rating he is using is appropriate Joe should: have his engine tuned to manufacturer's specifications; when the gas is low, fill with the brand he normally uses; warm up the engine by driving a few miles; come to a complete stop, then step on the accelerator hard and listen for pings or

knocks; use up the existing tank of gasoline; refill with the next highest octane rating; repeat the acceleration test; if he hears no knock with the lower octane rating, this is the gasoline he should use. Joe can also test the gasoline brand he is using: use it up; then fill tank with the next lower rating; repeat the acceleration test; if no knock occurs, he may want to continue the process until he is using the lowest octane rating the car will tolerate without knocking. If Joe likes to drive his car everywhere, he may be driving around more than he really needs. He should consider doing more things in fewer trips and also using alternate, less expensive means of transportation whenever appropriate, such as walking, bicycling, using the bus, riding with others.

3. Stewart can check the octane rating and brand of gasoline he is using as described in 2. above to make sure he is getting the best buy possible on gasoline. Stewart can also practice conservative driving techniques such as:

- Avoiding rapid acceleration when traffic lights are green
- Trying to combine trips rather than making several trips
- Avoiding idling the engine for long time periods (turn on the car and begin driving at moderate speed until car engine warms up)
- Driving slower--a speed of 50 instead of 70 saves from 12 to 35 percent of fuel
- Maintaining tire pressure as recommended in the owner's manual to reduce friction
- Getting the engine tuned up
- Replacing older, less efficient auto parts with newer, more energy-efficient replacements
- Increasing fuel efficiency by three to five percent by using radial tires
- Eliminating or reducing air conditioning use

(Extra credit: Stewart might also consider using alternate forms of transportation when appropriate, such as walking, taking a bus, bicycling, riding with others.)

4. Amanda can get information from Consumer Reports and Consumer Reports Buying Guide, as well as from reliable dealers and mechanics.
5. Answers to this item may vary greatly, but appropriate points to be covered might include:
 - Scheduling transportation for the family
 - Use of alternate transportation sources, particularly bus and car pool opportunities
 - Family members sharing rides and coordinating the times when they go places, for example to the downtown area
 - Combining trips rather than making several trips
 - Evaluation of the need for all the activities in which family members participate

ASSIGNMENT SHEET 5

1. a. Wear bars are visible across the tread.
 b. If a penny is used, Lincoln's head remains uncovered
 when pushed between the treads.
2. That the tire will go 50 percent more miles than a tire
 rated at 100
3. That the tire is highly resistant to friction or heat
4. Radial tires
5. a. 7.25 = width of inflated tire
 b. 15 = diameter of rim which holds the tire

ASSIGNMENT SHEET 6

1. paint finish
2. polysealant
3. corroded
4. four
5. shovels, blankets, flashlights
6. carbon monoxide
7. alcohol
8. hypothermia
9. pump
10. direction

Name: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

JOB SHEET 1--DEVELOP A FAMILY TRANSPORTATION SCHEDULE

I. Materials:

Paper and pen

II. Procedures:

- A. Prepare a schedule similar to the example given below and complete for a one week time period for your family.

Family Member	<u>Weekly Activity Schedule</u>				
	Monday	Tuesday	Wednesday	Thursday	Friday
<u>Example:</u>					
Mom	6:30 PTA Meeting	7:00 Grocery Shopping(car)	7:30 Church (Car)		
Dad	8:00-5:00 work (car)	-----			
Jim		7:00 Swim Practice (car) (Mom drives)			8:00 Movie (bike)
Jane			7:00 Gymnastics Practice (car)		7:30 Visit friends (walk)

(NOTE: Be sure on your chart you explain whether or not children must be driven by adults. Be sure to indicate which vehicle is to be used for each activity.)

- B. Once you have filled in your chart for the week, analyze it, following the steps below:
1. Identify who has primary use of the automobile
 2. Indicate any time conflicts on your chart.
(NOTE: See the Tuesday example of Mom's grocery shopping and Jim's swim meet.)

3. Identify ways in which these time conflicts could be resolved, i.e., share ride with neighbors, accomplish two things in one trip, etc.
4. Point out where alternative means of getting to an activity are used, for example: Jim uses bike on Friday for movie.
5. Identify if any activities had to be given up because time conflicts could not be resolved.
6. Identify steps your family will need to continue to take to coordinate their activities.

Evaluation Criteria	Point Value	Points Earned
1. Prepared schedule as per directions		
2. Provided all additional information requested		
3. Completed required analysis		
4. Prepared paper using correct grammar and spelling		
5. Prepared paper which was effectively organized		
Total Points		

Name: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

JOB SHEET 2--SELECT APPROPRIATE TRANSPORTATION

I. Materials:

Interview Form

II. Procedures:

- A. Divide into groups of two or three.
- B. Select an individual from the community who uses one of the following means of transportation to get to work.
 1. Bicycle
 2. Automobile
 3. Moped
 4. Motorcycle
 5. Walking
 6. Other: _____
- C. Interview the selected individual asking the following questions, as well as other questions of your choice.
 1. Why do you use the form of transportation you do for going to work?
 2. How convenient is the form of transportation you use?
 3. How cost efficient is the transportation you use? (Estimate the amount of money it costs you per week to use your transportation.)
 4. Do you have any problems in using the transportation you selected?
 5. Are you planning to make any changes in the type of transportation you use within the next two years?
 6. What type of individual is likely to use your chosen form of transportation?

D. Analysis:

When you have gathered the above information as a class, compare the following and record your results:

1. Which form of transportation appears to be the most convenient?
2. Which form of transportation is most cost efficient?
3. Were any interviewees seeking to change their present method of transportation? What reasons did they give for doing so?
4. What are some characteristics of individuals who use:
 - a. Automobiles
 - b. Mopeds
 - c. Motorcycles
 - d. Walking
 - e. Other
5. Based on your analysis of interview answers, discuss your preferred method of transportation to work; give reasons for your choice; why you would or would not change.

Evaluation Criteria		Point Value	Points Earned
1.	Selected a community member to interview		
2.	Obtained appropriate information for each question		
3.	Completed analysis		
4.	Used appropriate spelling and grammar		
Total Points			

Name: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

JOB SHEET 3--EVALUATE TRANSPORTATION TYPES

I. Materials:

Recent issue of Consumer Reports and other references containing consumer information on cars, motorcycles, mopeds, bicycles, etc.

II. Procedures:

Collect some recent issues of Consumer Reports and compare several brands of automobiles or other vehicles on the following categories. You may also wish to use other appropriate publications to help in your search. Make a chart or table to reflect your findings.

- A. Price
- B. Quality
- C. Maintenance/repair
- D. Fuel mileage (gas consumption)
- E. Safety features
- F. Warranty
- G. Other categories of your choice (for example, standard features, optional features/accesories, factory recall history)

III. Analysis:

Write a brief summary telling which brand vehicle you would purchase if you were planning to buy. Explain why you find that particular brand to be preferable.

Evaluation Criteria		Point Value	Points Earned
1.	Prepared comparison chart/table		
2.	Gathered information on at least five vehicle models in a selected category (car, bicycle, moped, etc.)		
3.	Used appropriate references to gather information		
4.	Wrote a brief analysis of findings		
5.	Used correct grammar, spelling, and punctuation		
Total Points			

275

Name: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

JOB SHEET 4--CHANGE AN AUTOMOBILE TIRE

(NOTE: This activity may be accomplished as a demonstration presented for the class, with students checking off each step as they observe the procedure correctly performed.)

I. Supplies and equipment:

Automobile
Jack
Tire Wrench
Chocks (wedges) for holding car stable

II. Procedure checklist:

A. As procedures are carried out, check off each step. Were the safety practices indicated in steps 3, 4, and 8 followed?

B. Completion record

_____ 1. Remove the hubcap using a large screwdriver, if available, the tire wrench, or the special wrench supplied with the car (see owners manual for further information).

(CAUTION: When removing hubcap with screwdriver or wrench, be careful not to bend hubcap, causing it to lose its shape.)

_____ 2. Remove the hubcap to reveal the lugs which hold the wheel on. Use the wrench to remove the lugs.

_____ a. If a L is imprinted on them, the bolts are loosened by turning the wrench clockwise.

_____ b. If a R is imprinted or no marking is visible, loosen the bolts by turning the wrench counter-clockwise.

(CAUTION: Be sure to loosen bolts before jacking up the car.)

- _____ 3. Position the jack following the directions provided with it. Be sure the jack is firmly attached to the car before lifting the car off the ground.
- _____ 4. Once the car is raised, place chucks or wedges under the wheels on the ground to keep the car from rolling off the jack.
(CAUTION: Be sure all safety locks on the jack are used.)
- _____ 5. Remove the lug nuts and tire with the wrench or hands.
- _____ 6. Lift the tire off the spindle.
- _____ 7. Remove the spare tire from the trunk.
- _____ 8. Line up the lug holes in the wheel with the lug bolts.
(CAUTION: When lifting the tire into position Be sure not to shake the car, causing the jack to lose its grip.)
- _____ 9. Replace the lug nuts by hand, then tighten slightly with the wrench.
- _____ 10. Lower the jack and remove it.
- _____ 11. Tighten the lug nuts as securely as possible.
- _____ 12. Replace the hubcap.
- _____ 13. Remove chocks from in front of wheels.
- _____ 14. Return all equipment to its appropriate place.

Evaluation Criteria		Point Value	Points Earned
1.	Followed procedures appropriate for vehicle model		
2.	Completed each step as identified		
3.	Assembled and used appropriate tools for each task		
4.	Put away all tools		
Total Points			

Name: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

JOB SHEET 5--WASH AND WAX A MOTOR VEHICLE

(NOTE: This activity may be accomplished as a demonstration presented for the class, with students checking off each step as they observe the procedure correctly performed.)

I. Supplies and equipment:

Pail

Sponges, cloths, scrubbing sponges suitable for non-stick cookware, a chamois cloth or sponge if available, clean towels, paper towels

Stiff bristled brush

Dishwashing soap, i.e., Ivory liquid/bar soap, liquid detergent

Window cleaner

Warm Water

Hose

Step ladder, if needed

Car wax or polysealant; vinyl cleaner and wax, if needed

II. Procedure checklist:

A. As procedures are carried out, check off each step.

B. Completion record

- _____ 1. Assemble required materials.
- _____ 2. Wet cloth or scrubbing sponge in warm water; wet down surface of car with hose.
- _____ 3. Starting with the top of the vehicle, soap sponge or cloth with a mild soap and proceed to soap surface using a smooth, circular motion, being sure to cover the entire surface with soap.
- _____ 4. Hose off the soap.
- _____ 5. Soap the rear of the car and bumper area; hose off.
- _____ 6. Soap one side of the vehicle, including windows and around wheel area; hose the surface.

- _____ 7. Soap the hood area, front grill work, and bumpers; hose off surface.
- _____ 8. Soap the other side of the car, including windows and around wheel area; hose off.
- _____ 9. Use a soft cloth and wipe the door panels clean.
- _____ 10. Apply heavy duty liquid detergent to the brush and soap scrub the side walls and hubcaps; hose off. Continue with each wheel.
- _____ 11. Using a chamois or soft towel, wipe water off vehicle.
- _____ 12. If you have a vinyl top, you may want to use a special cleaner and wax designed for it. Follow the directions provided with these products.
- _____ 13. Apply wax to soft cloth or sponge and, starting at the top, apply the wax in a circular motion to the top including any trim.
(NOTE: Do not apply car wax to a vinyl top, use a product appropriate for that surface.)
- _____ 14. Follow the same procedure used in washing the car being sure to apply wax to all surfaces, bumpers, trims, and license plates.
- _____ 15. Apply wax to hub caps and door panels.
- _____ 16. Allow wax to dry on all surfaces.
- _____ 17. Using a soft towel, wipe off car, beginning with the hood and following the same patterns used to apply the wax.
- _____ 18. If necessary, complete the exterior cleaning of the car by washing and drying the windows using a cleaner for that purpose and a lint free cloth or paper towels.

Evaluation Criteria		Point Value	Points Earned
1.	Followed procedures appropriate for vehicle model		
2.	Completed each step as identified		
3.	Assembled and used appropriate materials for each task		
4.	Put away all supplies		
Total Points			

Name: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

JOB SHEET 6--CHANGE, PATCH AND SEAL A BICYCLE TIRE

(NOTE: This activity may be accomplished as a demonstration presented for the class, with students checking off each step as they observe the procedure correctly performed.)

I. Supplies and equipment:

Bicycle
Tire repair kit
Bicycle wrenches appropriate for the bicycle model
Tire air pump
Spare tire tube
Talcum powder

II. Procedure checklist:

A. As procedures are carried out, check each step.

B. Completion record

- _____ 1. Check tire valve stem before proceeding to determine if it, rather than the tire, is the source of a leak.
 - _____ a. Drop a bit of soapy water or saliva into the center part of the tire valve stem.
 - _____ b. If leaking, bubbles will form.
 - _____ c. Using the valve stem cap, try to tighten the stem, retest as in a.
- _____ 2. Using appropriate tools and following the manual for the bike, remove the wheel from the bike.
- _____ 3. Depress valve stem core to remove all air.
- _____ 4. Use a tire iron appropriate for the bike, remove the tire from the wheel.

(NOTE: Removing a tire using a typical household screwdriver can damage or bend the wheel frame.)

- _____ 5. Using tire patch, follow directions for repairing the tube.
(NOTE: If damage is extensive, it may be necessary to replace the tube.)
- _____ 6. Check out the tire covering before reinserting the tube to be sure it is in good condition.
- _____ 7. Dust the tire tube with talcum powder to keep it from binding to the tire.
- _____ 8. Check the wheel rim to be sure that it is not bent, rusty, or contains protruding spokes which could damage the tire.
- _____ 9. Be sure that the rim strip tape located in the center of the rim is in place.
(NOTE: Rim strip tape protects the wheel from spoke end damage.)
- _____ 10. Inflate the tube with the air pump until it just begins to hold its shape.
- _____ 11. Place the tube in the tire inserting tire valve stem through the hole in the rim.
- _____ 12. Using the hands, mount the tire on rim.
- _____ 13. Check to be sure that the rim line of the tire is visible on both sides of the tire and is evenly spread from the rim all around the tire after tire reaches about 10 lbs. of pressure.
- _____ 14. Deflate the tire by depressing valve stem core.
(NOTE: Deflating allows the tube to free itself from pinching or binding before final inflation.)
- _____ 15. Reinflate tire to 10 lbs. pressure, examining it as in #13; then inflate tire to correct pressure.
- _____ 16. Replace wheel on the bicycle frame and tighten nuts securely.

C. Alternate procedure for tubular tires:

- _____ 1. Using the hands, work tire off rim.
- _____ 2. Since these tires are cemented to rims, after removal, clean the rim with a solvent to remove old cement.
- _____ 3. Check to see that no spoke ends protrude inside the rim.

- _____ 4. Apply rim cement to rim well with finger. Be sure application is even.
- _____ 5. Inflate the tubular tire until it turns inside out and apply a thin layer of cement to base tape.
- _____ 6. When cement is tacky, reduce tire pressure until tire just holds shape, then fit into tire rim following these steps:
- _____ a. Stand wheel in upright position; insert tire valve stem through hole in rim.
- _____ b. Hold tire firmly while stretching cord, pushing tire into position on both sides of rim.
- _____ c. Continue working down both sides of tire until opposite the valve stem.
- _____ d. Turn bottom of wheel to top; work remaining portion of tire into place.
- _____ e. Clean cement from hands.
- _____ g. Inflate tire partially, then roll back and forth until it fits firmly on rim.
- (NOTE: Tire may have high or low spots. Stretch the tire where it is low.)
- _____ h. Inflate tire to recommended tire pressure. Allow to dry twelve hours before use.

Evaluation Criteria		Point Value	Points Earned
1.	Followed procedures appropriate for vehicle model		
2.	Completed each step as identified		
3.	Assembled and used appropriate tools for each task		
4.	Put away all tools		
Total Points			

Name: _____
Point Value: _____
Points Earned: _____

MEETING TRANSPORTATION NEEDS

UNIT IV

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|-----------------|------------------|
| a. synthetic | f. engine timing |
| b. alignment | g. emission |
| c. bearings | h. rotation |
| d. depreciation | i. compression |
| e. hypothermia | j. octane |

- _____ 1. Byproducts expelled in automobile exhaust.
- _____ 2. Schedule of moving tires to different positions on the vehicle to assure even tread wear.
- _____ 3. Below-normal body temperature usually resulting from exposure to cold; can result in death.
- _____ 4. Fuel made from products other than oil.
- _____ 5. Measure of the resistance a gasoline has to engine knock.
- _____ 6. Process of correcting front wheel position in order to improve handling and reduce tire wear.
- _____ 7. Ability of valves, ignition, and other automobile parts driven by the engine to work together for maximum efficiency.
- _____ 8. Value a vehicle loses as it gets older.
- _____ 9. Application of pressure to the fuel/air mixture in the combustion chamber to create a force to power the engine.
- _____ 10. Parts which reduce friction between other moving parts.

Part Two: Multiple Choice

Directions: For each of the questions below, chose the one best answer by circling the letter of the correct statement.

11. All of the following are factors to consider when coordinating family transportation, except:
 - a) Safety aspects of transportation choices
 - b) Needs and wants of all family members
 - c) Resources available to the family
 - d) Financing of the family car
 - e) Relative dependence/independence of family members
12. Which of the following is a reason for coordinating family transportation?
 - a) Reduce car payments
 - b) Reduce maintenance
 - c) Reduce frustration
 - d) Reduce participation
 - e) Reduce dependence
13. Which of the following are personal/family resources?
 - a) Clean air and fuel
 - b) Comfort and convenience
 - c) Finances, safety, and cooperation
 - d) Time, energy, and money
 - e) Needs and wants
14. Which of the following are environmental resources?
 - a) Buses, taxis, and trains
 - b) Clean air and energy/fuel
 - c) Safety and dependence/independence
 - d) Cars, motorcycles, and mopeds
 - e) Time and money
15. Which of the following statements describes motorcycles?
 - a) Excellent safety record
 - b) Less expensive to buy than a car
 - c) Less expensive to use and maintain than a car
 - d) Good means of transportation but not for recreation
 - e) Appropriate for any type of weather

16. Which of the following statements describes bicycles?
- a) Provides transportation, exercise, and recreation
 - b) Is the least expensive form of transportation
 - c) Obtains energy equivalent to 50 miles per gallon of gasoline
 - d) Inexpensive to buy but expensive to maintain
 - e) Appropriate for any road condition
17. All of the following are effective strategies when buying a car, except:
- a) Talk to others who have purchased cars from the dealer
 - b) Check the Automobile Association of America's Approved Auto Guide
 - c) Check Consumer Reports articles
 - d) Analyze services offered by the dealer
 - e) Shop around
18. Apart from purchasing a home, the major debt item of most Americans is:
- a) Auto repair expense
 - b) Vehicle customization
 - c) Traveling expense
 - d) Auto loan
 - e) Auto lease
19. Sources of credit for purchasing a motor vehicle include:
- a) Finance companies
 - b) Credit unions
 - c) Banks
 - d) All of the above
 - e) a and c above
20. The agency which certifies auto mechanics is:
- a) Automobile Association of America
 - b) National Institute of Automotive Service Excellence
 - c) Consumers' Union
 - d) National Institute of Automotive Service Mechanics
 - e) American Automobile Association
21. That oil number rating is used with all-season automobile oils?
- a) 10W40
 - b) 1030
 - c) 10W
 - d) 40
 - e) 5W

22. How frequently should a motor vehicle be greased?
- a) Every 500-1,000 miles
 - b) Every 1,000-2,000 miles
 - c) Every 2,000-3,000 miles
 - d) Every 3,000-4,000 miles
 - e) Any of the above, depending on the car model and year
23. If the air filter of a car contains a small amount of dirt, how does it affect the filter?
- a) Increases the filter's efficiency
 - b) Decreases the filter's efficiency
 - c) Has no effect
 - d) Increases fuel consumption
 - e) Decreases fuel consumption
24. All of the following are useful items to carry in the trunk of your car during winter, except:
- a) Nonperishable food
 - b) Coffee can and candle
 - c) Alcohol
 - d) Plastic garbage bags
 - e) Shovel
25. The product which can be applied to the car's surface which provides a longer-lasting shine than car wax is:
- a) Long-lasting seal
 - b) Lubricant
 - c) Vinyl
 - d) Polysealant
 - e) Chamois

Part Three: Check the Correct Statements

Directions: The following items represent expenses associated with operating a motor vehicle. Put a check beside each item that is a variable cost.

- | | |
|-------|------------------|
| _____ | 26. Insurance |
| _____ | 27. Gasoline |
| _____ | 28. Taxes |
| _____ | 29. Interest |
| _____ | 30. Maintenance |
| _____ | 31. Parking |
| _____ | 32. Depreciation |

Directions: For each of the following, write a "T" if the statement is true or an "F" if the statement is false.

- _____ 33. If your friend offers you a special deal on a bike which is not exactly what you want, buy it anyway because you can easily change the bike's style.
- _____ 34. If a bicycle is too large for you, it can affect your ability to control it.
- _____ 35. Bicycle seats should be selected by considering the length of your legs.
- _____ 36. Measure from your waist to the floor to determine the best bike height for you.
- _____ 37. When washing your bike, be sure to use lots of hot, soapy water.
- _____ 38. Check your bicycle tire pressure once a week.
- _____ 39. Before changing your bicycle tire, check the tire valve stem for leaks.
- _____ 40. Bicycle chains remain the same length when used over time.
- _____ 41. When all bicycle wheel spokes are tightened the same amount, the wheel is out of alignment.

Part Three: Short Answer

Directions: Write your answer to each of the following questions.

42. List three advantages and three disadvantages of using public transportation.

Advantages:

- a. _____

- b. _____

- c. _____

Disadvantages:

- a. _____

b. _____

c. _____

43. Explain why the automobile is so critical to the economy.

44. Explain why automobile users must be concerned with conserving oil.

45. Identify four ways to conserve gasoline while driving?

a. _____

b. _____

c. _____

d. _____

46. State one thing you can do to determine if the cost of the car quoted by the dealer is reasonable.

47. Explain the following tire grading systems:

a. A tire is graded at 185: _____

b. A tire is graded at C: _____

48. Explain why it is important not to run your car to use the heater for more than a brief period when stuck in your car on the road for a long time period.

49. Suggest one step that you could take to prevent your auto upholstery from soiling.

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

- 50. Complete transportation terms puzzle wheel (Assignment Sheet 1).
- 51. Choose public or private transportation (Assignment Sheet 2).
- 52. Analyze the decision to purchase a motorcycle (Assignment Sheet 3).
- 53. Find ways to conserve transportation costs (Assignment Sheet 4).
- 54. Show your auto tire know-how (Assignment Sheet 5).
- 55. Describe winter driving safety tips (Assignment Sheet 6).
- 56. Develop a family transportation schedule (Job Sheet 1).
- 57. Select appropriate transportation (Job Sheet 2).
- 58. Evaluate transportation types (Job Sheet 3).
- 59. Change an automobile tire (Job Sheet 4).
- 60. Wash and wax a motor vehicle (Job Sheet 5).
- 61. Change, patch, and seal a bicycle tire (Job Sheet 6).

MEETING TRANSPORTATION NEEDS

UNIT IV

ANSWERS TO TEST

Part One

- | | | |
|------|------|-------|
| 1. g | 5. j | 8. d |
| 2. h | 6. b | 9. i |
| 3. e | 7. f | 10. c |
| 4. a | | |

Part Two

- | | | |
|-------|-------|-------|
| 11. d | 16. a | 21. a |
| 12. c | 17. b | 22. c |
| 13. d | 18. d | 23. a |
| 14. b | 19. d | 24. c |
| 15. c | 20. b | 25. d |

Part Three

27 and 28 should be checked.

- | | | |
|-------|-------|-------|
| 33. F | 36. F | 39. T |
| 34. T | 37. F | 40. F |
| 35. F | 38. T | 41. F |

Part Four

42. Advantages

Any three of the following:

Conserves fuel

Reduces transportation costs

Less expensive than owning and maintaining a personal car

Makes it possible to coordinate transportation for family members

Do not have to find parking

Do not have to drive

Avoid rush hour hassles

Taxis provide door-to-door service

Taxis may be available on a 24-hour basis

Disadvantages

Any three of the following:

Less convenient

Less comfortable

Less personal independence

Only available on a set route

Not available in all areas

Only available on a set schedule

May not be available during late evening and night hours

More time consuming to use

Limited availability/crowded during rush hours

Limited availability during bad weather

Taxis are expensive to use

43. The automobile industry employs about one in six people; the automobile is our major form of transportation.
44. Because oil production is expected to peak within the next two decades
45. Any four of the following in any order:
Drive a subcompact car.
Avoid rapid acceleration when traffic lights are green.
Try to combine trips rather than making several trips.
Do not idle your engine for long time periods. (Turn on your car and begin driving at moderate speed until car engine warms up.)
Drive slower.
Maintain recommended tire pressure.
Get your engine tuned up.
Replace older, less efficient auto parts with newer, more energy-efficient replacements.
Use radial tires.
Drive a lighter car.
Drive a car with a manual transmission.
Eliminating air conditioning can increase fuel economy by 5 to 12 percent. (However, if you must leave your windows open at highway speeds, what you have gained by not using air conditioning is lost, since increased wind friction reduces fuel economy.)
Share rides with others who live/work in the same area.
Use an alternative form of transportation, such as bicycle, moped, motorcycle.
46. Any one of the following:
Visit several dealers and compare costs.
Check publications which compare costs.
Review Consumer Reports or similar publication.
Contact Car/puter International, Inc.
47. a. This means that the tire will go 85% more miles than an average tire rated at 100.
b. This tire is an average tire; if it had a higher grade it would be more resistant to heat and friction.
48. Could cause death as a result of carbon monoxide poisoning
49. Any one of the following:
Vacuum or sweep upholstery monthly
Apply a cleaner, allow to dry, and brush off
Have a fabric finish applied that prevents soiling
Use seat covers
- 50-55. See Answers to Assignment Sheets
56-61. Evaluated to the satisfaction of the teacher in accordance with criteria listed on the Job Sheets

MEETING HOUSING NEEDS

UNIT V

UNIT OBJECTIVE

After completing this unit of instruction, the student should be able to identify housing alternatives, deal with lease or rental agreements, determine costs for housing, recognize housing discrimination, interpret legal contracts for housing, and determine when to sell housing. Competencies will be demonstrated by correctly performing the procedures outlined in the Assignment and Job Sheets and achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, MATCH HOUSING TERMS TO THE CORRECT DEFINITIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline, Transparency Masters 1, 2, 3, and Handout 2, ANALYZE FACTORS WHICH INFLUENCE HOUSING CHOICES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2 or 7.
3. Based on the content outline, DETERMINE THE COST OF HOUSING by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3 or 4.
4. Based on the content outline, DETERMINE UTILITY COSTS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3, 4, or 5.
5. Based on the content outline and Transparency Master 3, DISTINGUISH BETWEEN THE ADVANTAGES OF RENTING OR BUYING HOUSING by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6 or 7.
6. Based on the content outline, LIST FACTORS TO CONSIDER IN SELECTING A RENTAL PROPERTY by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6 or 7.
7. Based on the content outline, STATE LEGAL ASPECTS OF RENTAL/LEASE AGREEMENTS by attaining 100 percent accuracy on the Unit Test.

8. Based on the content outline, DESCRIBE FACTORS INVOLVED IN WORKING WITH A REAL ESTATE AGENT/BROKER by attaining 100 percent accuracy on the Unit Test.
9. Based on the content outline, LIST STEPS THAT CAN BE TAKEN IF HOUSING DISCRIMINATION IS ENCOUNTERED by attaining 100 percent accuracy on the Unit Test.
10. Based on the content outline, DESCRIBE LEGAL POINTS OF BUYING A HOUSE by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 9, 10, or 11.
11. Based on the content outline and Handout 3, ANALYZE A REAL ESTATE CONTRACT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 11.
12. Based on the content outline, DESCRIBE TYPES OF MORTGAGES AND HOME FINANCING by attaining 100 percent accuracy on the Unit Test.
13. Based on the content outline, Transparency Masters 1, 2, and Handout 4, LIST FACTORS TO BE CONSIDERED IN SELECTING A HOME TO PURCHASE by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 7, 8, Job Sheet 1 or 2.
14. Based on the content outline, DEMONSTRATE THE ABILITY TO SELECT A HOME TO PURCHASE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1 or 2.
15. Based on the content outline, ANALYZE ALTERNATIVES TO SINGLE FAMILY HOMES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 7 or 8.
16. Based on the content outline, DESCRIBE FACTORS INVOLVED IN SELLING HOUSING by attaining 100 percent accuracy on the Unit Test.

MEETING HOUSING NEEDS

UNIT V

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss Unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with assignment and/or job sheets prior to the demonstration of the procedures.
- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Collect articles from several sources about costs of home ownership. Display these materials on a bulletin board.
3. Compare rental costs with mortgage costs in your local community.
4. Interview three different persons about the "dream home" they would like to have. Compare responses and analyze similarities and differences.
5. Analyze tenant rights and rent controls in your local community. Prepare articles for the school newspaper on this topic.

6. Form a panel of real estate agents, brokers, and individuals who have sold their own home. Ask each to present services offered and compare that information to the experiences of the person who sold a home without assistance.
 7. Interview a local lender concerning the current status of home loans.
 8. Collect materials concerning housing discrimination and conduct a discussion of strategies that could be developed to overcome discrimination. Prepare a handout for display on school bulletin boards.
 9. Conduct an analysis of mortgage rates and types available from several different lenders in the community.
 10. Interview one or more individuals who recently sold their house and analyze the strategies each used. As a class develop guidelines to follow when selling a home.
- I. Give test.
 - J. Evaluate test.
 - K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 1. TM 1--Factors Affecting Housing Choice
 2. TM 2--Housing Values
 3. TM 3--Housing Questions
- E. Handouts
 1. Handout 1--Housing Case Studies
 2. Handout 2--Calculating Funds Available for Housing
 3. Handout 3--Contract for the Sale of Real Estate
 4. Handout 4--Points to Check on the Outside of a House

F. Assignment Sheets

1. Assignment Sheet 1--Match Housing Terms to the Definitions
2. Assignment Sheet 2--Name Factors Influencing Housing Choices
3. Assignment Sheet 3--Determine the Cost of Renting Housing
4. Assignment Sheet 4--Determine the Cost of Owning Housing
5. Assignment Sheet 5--Distinguish Between the Advantages of Buying or Renting Housing
6. Assignment Sheet 6--Analyze and Select Housing
7. Assignment Sheet 7--Assess Budget and Income Factors in Selecting Housing
8. Assignment Sheet 8--Sequence Steps in Purchasing a Home
9. Assignment Sheet 9--Describe Legal Points of Buying a Home
10. Assignment Sheet 10--Analyze a Contract for Sale of Real Estate

G. Answers to Assignment Sheets

H. Job Sheets

1. Job Sheet 1--Select a Home to Purchase
2. Job Sheet 2--Research the Choice of Home to Purchase

I. Test

J. Answers to Test

REFERENCES USED IN DEVELOPING THIS UNIT

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- B. Federal Reserve Bank of Philadelphia. Charting Mortgages. Philadelphia, PA: Federal Reserve Bank of Philadelphia, 1982.
- C. Miller, Roger L. Economic Issues for Consumers. New York: West Publishing Company, 1984.
- D. Stokes, Bruce. "The Shrinking House of the Future." The Futurist 16.1 (1982): 49-53.
- E. Watkins, A. M. Building or Buying the High-Quality House at Lowest Cost. New York: Doubleday & Company, Incorporated, 1962.

HELPFUL RESOURCES FOR TEACHERS

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- H. Teaching Strategies for Consumer Economics, Robert Ristau, H. Michael Hartoonian, Peter R. Sears and Ruth G. Thomas, Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016, 1985.

Meeting Housing Needs Unit V

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1-12	
E.1.	2, 6, 13	TM 1, 2, 3	HO 1, 2	AS 2, 6		13 - 14	MIXH1; SSIXB1; SIXD1; SIXF2; SSXB1
E.2.,3.	3, 4			AS 3, 4		15, 37	MIXB3
*	5	TM 3		AS 5, 6		16, 38	
E.4.	6, 7	TM 1, 2, 3		AS 3, 6		17, 18, 39-40	
E.5.	8					19, 41	
*	9					20, 42	
E.6.	7, 10, 11		HO 3	AS 8, 9, 10		21-23, 43	
E.7., 8., 9.	10, 12			AS 8		26-29	MIXH1,3; MIXB3
E.10.	11		HO 3	AS 10		24, 43	
E.11.	13, 14	TM 1, 2	HO 1, 2, 4	AS 6, 7	JS 1, 2	25, 44	MIXH3; SSXM3
E.12., 13.	15		HO 1	AS 6, 7		23, 24, 30-36	MIXH3; SSXM3
E.14.	16					45-47	MIXH3

*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

MEETING HOUSING NEEDS

UNIT V

INFORMATION SHEET

I. Match terms with definitions.

[Objective 1; AS 1]

- A. Amortization--gradual payment at intervals of a debt.
- B. Appraisal--a property evaluation to determine worth or value.
- C. Commission--percentage of the property sale price earned by the agent responsible for selling the property.
- D. Condominium--an arrangement in which tenants have legal title to their apartments or units in a complex of multiple-units and have joint ownership in the common grounds.
- E. Contract of sale--also called a sales agreement or contract of purchase, this includes the terms and conditions under which the house is sold and bought.
- F. Cooperative--an organization whose members own a share in a nonprofit corporation that holds legal ownership to a building.
- G. Deposit--money required by a landlord from a tenant to cover damages to rented property.
- H. Discount points--a service charge made by lenders when they agree to process FHA or VA mortgages.
- I. Discriminate--to treat some individuals differently than others in the group because of race, national origin, color, religion, sex or age.
- J. Easement--a privilege that an individual may have to use another's land.
- K. Earnest money--an amount of money given to a home owner by a potential buyer to indicate serious intent to buy the house.

- L. Foreclosure--legal action by the lender to take over a property when regular payments have not been kept up on a mortgage.
- M. Housing site--the location of a house on a lot.
- N. Lien--a claim on a persons's property to guarantee payment of a debt.
- O. Lien waiver--a statement that claims against a property do not become the responsibility of the new owners of the property.
- P. Modular housing--houses for which sections are manufactured and shipped to be assembled on the owner's site.
- Q. Mortgage--pledging property to a creditor as a guarantee that a debt will be repaid.
- R. Mortgagee--a person to whom property is mortgaged.
- S. Mortgage insurance--a type of insurance that protects the lender if buyers are unable to make their house payments.
- T. Mortgage note--an agreement signed by the buyer indicating the process for repayment of a loan.
- U. Mortgagor--a person who mortgages property.
- V. Negative amortization--gradual payment of a debt with only small payments on the loan during its first year, so that a limited amount of money is invested in the home.
- W. Prepayment penalty--a charge made against the buyer for paying off the loan early.
- X. Principal--the specific amount of the loan.
- Y. Real estate agent/broker--an individual licensed by the state to buy and sell property on commission.
- Z. Rent control--regulations which clarify the conditions under which rent can be increased.
- AA. Title--legal proof of right to the ownership of property.
- BB. Title insurance--an insurance policy which assures the owner's claim to his/her property.

CC. Townhouse--residences which share a common wall between dwellings.

DD. Variable rate mortgage--mortgage for which the interest rate varies with current interest rates.

II. Analyze factors which influence housing choices.

[Objectives 2, 6, 13; TM 1, 2, 3; HO 1, 2; AS 2, 6]

A. Finding suitable housing depends upon access to:

1. Land
2. Money
3. Energy
4. Building materials

B. Choice of housing is based on many factors including:

1. Personal and family values
2. Family size
3. Lifestyle
4. Career goals

C. Financial considerations in choosing housing:

1. Housing costs vary across the United States.
(NOTE: A home in California may cost twice as much as a comparable home in Missouri.)
2. An analysis of monthly income, expenses, and savings is necessary to determine what can be paid for housing.
3. Some experts recommend that a house should cost not more than two to two and a half times the owner's annual net income.
(NOTE: Due to high housing costs, many families are ignoring this guideline.)
4. The purchase of a well-equipped, spacious, single family home is too expensive for many families.

D. There are a variety of housing options.

1. Housing may be purchased or rented/leased.
2. Types of housing include:
 - a. Apartments
 - b. Mobile homes
 - c. Cooperatives
 - d. Townhouses
 - e. Condominiums
 - f. Houses

III. Determine the cost of housing.

[Objectives 3, 4; AS 3, 4]

A. Determine total housing costs when renting.

1. Renters must calculate total housing costs because they may be paying more than the monthly rent.
2. Renters should determine how much money is available each month to cover housing costs.
3. Before signing a lease or rental agreement, renters should find out what additional monthly payments must be made, such as electricity, water, gas, trash removal services, etc.
(NOTE: The owner or other tenants should be able to provide estimates for utility costs.)
4. Add in insurance costs (if renter's insurance is desired), moving costs, repair costs (if renter is responsible for these), cost of furnishings if necessary.

B. Determine total housing costs when buying.

1. It is important to calculate total housing costs because buying a home can cost more than the consumer expects.
2. The buyer should determine how much money is available each month to cover housing costs.
3. Before signing a contract for a home, the buyer should check the bills the homeowner pays monthly.
(NOTE: The owner should be able to provide estimates for electricity, water, heating and other utilities.)
4. Add in insurance costs, moving costs, remodeling costs, appraisal or inspection fees and any other assessments to determine total costs for housing.

IV. Distinguish between the advantages of renting or buying housing.

[Objective 5; TM 3; AS 5, 6]

A. Advantages of renting housing

1. Renters do not have the same liability as owners.
(If someone breaks a leg in front of a dwelling, the owner is responsible for insurance coverage.)
2. Renters can easily leave their dwelling.
3. Personal savings need not be allocated to home ownership.

4. Renters need not be concerned with the setup of the dwelling.
5. Renters can figure more exacting housing costs than owners who are responsible for repairs at any time.
6. Renters need not be concerned about whether the property is losing value.
7. Renters need not be concerned with improving the property or its maintenance.
8. If a renter's family outgrows the size of their dwelling, they can move more easily than can homeowners.
9. Larger outlays for appliances can be avoided by renting dwellings that provide these appliances.
10. Frequently rental property provides attractive recreational facilities which are not available to homeowners.

B. Advantages of buying housing

1. Home owners receive tax benefits.
2. Home ownership tends to be a hedge against inflation, as homes typically increase in value over time.
3. Home owners are free to make any changes in their dwellings at any time.
4. Home ownership forces the owner to save to make the monthly payments.
5. Provides individuals with a feeling of pride in ownership and a sense of security.

V. List factors to consider in selecting rental property.

[Objective 6; TM 1, 2, 3; AS 3, 6]

- A. Amount of monthly payments for the dwelling (including amount of utility payments)
- B. Neighborhood in which the dwelling is located
- C. Is the size of the dwelling appropriate?
 1. Adequate size and number of rooms
 2. Adequate kitchen size
- D. Is there enough storage space?
- E. Are there adequate and appropriate furnishings for the dwelling (either the renter's own or those provided by the landlord/owner)?

- F. What appliances are provided (i.e., refrigerator, range, air conditioner, etc.)
- G. Are laundry facilities available?
- H. What parking facilities are available?
- I. What kind and how much outside space is available?
- J. Are the building and grounds well lighted and secure?
- K. Is the dwelling in good repair and if repairs are required, will the owner make these?
- L. What type of maintenance is provided for the dwelling and the grounds?
- M. What rules/regulations apply to the dwelling?
- N. Are the terms of the lease/rental agreement acceptable?

VI. State legal aspects of rental/lease agreements.

[Objective 7]

A. Types of rental/lease agreements

- 1. Month-to-month agreements permit the landlord to raise the rent monthly and to evict tenants more often.
- 2. Lease agreements set fixed rental time periods and charges.

B. Contents of lease agreements

- 1. Amounts and conditions of deposits
- 2. Monthly rent and due date
- 3. Who pays for repairs, insurance, utilities and paint
- 4. Renewal procedures; opportunity for extension
- 5. What comes with the rental property (drapes, appliances, etc.)
- 6. Be sure that required repairs and available facilities (such as laundry, recreational) are listed in the rental agreement.

C. Landlords may require payment of an additional one to three months rent to cover damages.

- 1. Be sure to make a list of all damages when examining the property prior to moving in. Both the property owner/manager and the renter should

- sign the list and provide the manager with a carbon copy.
 2. Photograph the property when moving in and when moving out; be sure pictures are dated by the processor to verify time.
 3. Check out state laws regarding deposits, refunds and other rights and responsibilities.
 4. Keep copies of all bills for repairs, cleaning and other maintenance.
- D. Tenant rights in most states imply that tenants should have access to property which:
1. Meets safety codes for heating, wiring and lighting.
 2. Is safe and sanitary.
 3. Has no leaking roof, broken plumbing, broken doors or windows.
 4. Is clean, pest-free and provides for adequate garbage disposal.
(NOTE: Some states allow tenants to withhold all or part of rent until repairs are made.)
- E. Rent controls
1. With the rapid rise in energy costs and inflation in the 1970's, rents began to rise rapidly to cover costs.
 2. As rents rose, renters became angry and began to hold rent strikes.
 3. In some communities renters were strong enough to influence local governments to establish rent control regulations.
 4. With rent controls, fewer investors invest in real estate and fewer rental units are available.
 5. As costs rise for housing, more people will rent.
(NOTE: Increased housing costs will increase the need for a greater number of rental units.)

VII. Select real estate professionals.

[Objective 8]

- A. Try to find out as much as possible about the agent/broker.
(NOTE: The Better Business Bureau as well as others who have used the agent's service are sources of information.)
- B. Most agents charge a fee of from six to seven percent of the selling price.

- C. Some brokers act as mediators between the buyer and sellers, having the seller show the home.
(NOTE: These agents do not offer as many services as other brokers, but they also charge lower commission fees.)
- D. The buyer should ask the agent whether the commission fee is negotiable.
(NOTE: Normally the lower the commission, the lower the charge for the house, which may make the house more attractive to buyers.)

VIII. Deal with housing discrimination.

[Objective 9]

- A. When individuals try to purchase a home, they may face discriminatory practices, such as:
 - 1. Real estate agents may refuse to show the buyer houses in specific neighborhoods.
 - 2. Home prices may be raised for one buyer, but not for others.
- B. When discrimination is encountered, the buyer should:
 - 1. Record the time, place and date of the incident.
 - 2. Record the names of the real estate agency, dealer and other persons who were involved.
 - 3. Record methods of discrimination encountered.
 - 4. Record the names and addresses of any witnesses.
- C. The buyer who feels he/she has been discriminated against may wish to contact the United States Department of Housing and Urban Development and the local civil rights agency.
- D. If the case is investigated by representatives of either of these agencies and evidence of discrimination is found, an agreement between the seller, real estate agency representative and buyer may be developed. If no agreement can be reached, the case may be prepared for presentation to the state or federal courts or the state civil rights commission.

IX. Describe legal points of buying a house.

[Objectives 10, 11; HO 3; AS 9, 10]

- A. A buyer gives earnest money to an owner to show serious intent to buy a home.

- B. At the time earnest money is given, the buyer may draw up a written offer for the home called an earnest agreement or binder.

(NOTE: This agreement should contain a clause indicating that the offer depends upon obtaining a loan from a lending agency to purchase the home and may also indicate that the buyer must sell his/her present home, if that is necessary in order to buy the home for which the offer is made.)

1. The binder fixes the cost of the home for both buyer and seller.
2. If the offer is withdrawn, the buyer can expect to lose the earnest money given to the home owner.

- C. After the binder agreement has been signed, the next step is to prepare a contract of sale.

1. If terms of the agreement are not met, the contract is annulled. (If the buyer is not at fault, the earnest money is returned.)
2. The binder and sale contract may be combined as one.

(NOTE: Although this may streamline the process, many sections of the agreement are left open to question which can be frustrating until the final sale is closed.)

3. Items which should be included in the sale contract include:
 - a. Names and addresses of buyer and seller
 - b. Amount of earnest money and who holds the money until the sale is closed
 - c. A property description
 - d. The cost of the home
 - e. The closing date and time
 - f. Provisions for extending the closing date
 - g. Location of the closing
 - h. Special adjustments (i.e., who is responsible for taxes, special loan charges and other additional costs).
 - i. How the deposit (earnest money) will be handled if the contract fails to go through
 - j. Real estate agent/broker fees
 - k. Conditions for inspecting the home before closing the contract
 - l. Furnishings and fixtures that go with the home sale (i.e., carpeting, light fixtures, appliances, drapes/curtains)
 - m. Repairs to be made by seller prior to closing (including special inspections, pest treatments and repair of windows)
 - n. Property easements, if applicable

- o. Special assessments of the property should not be charged to new owners.
- p. Other special services (i.e., landscaping changes, correction of features not desirable to the buyer)
- 4. Prior to signing the agreement, be sure that it is completely filled out and that it includes any terms to be added or deleted from the contract.
- 5. Forms used for purchase agreements may be obtained from attorneys, stationery stores, banks or other financial institutions.

X. Describe types of mortgages and home financing.

[Objectives 10, 12; AS 8]

- A. A buyer who borrows money to buy a house gives the lender claim to the property through a mortgage.

(NOTE: If the buyer cannot make the mortgage payments, the lender takes the property.)

- B. Many home buyers look for assumable home loans.

- 1. The buyer takes over the existing home owner's loan with its repayment schedule
- 2. The advantage of assumable loans is that the interest rate charged tends to be lower than existing mortgage interest rates

- C. Numerous types of mortgages are available to home buyers.

- 1. Fixed payment mortgages: the interest rate of this loan remains fixed throughout the life of the loan. The kinds of loans in this category include:

- a. Conventional loans

- 1) Require a down payment which varies from 5 to 25% of the home's value.
(NOTE: Sometimes a large down payment can result in a lower interest rate.)
- 2) A borrower who subscribes to mortgage insurance may be able to make a smaller down payment on a home because the lender is protected from loss on the loan.

- b. Federal Housing Administration loans

- 1) Allow borrowers to make a small down payment.
- 2) Interest rates tend to be lower than rates from other institutions.

(NOTE: Interest rates on these loans are established by the Secretary of Housing and Urban Development, HUD.)

- 3) The home must be appraised by the FHA to be sure it is equal to the value of the loan.
- 4) This type of loan may take longer to process.

c. Veterans Administration loans

- 1) Such loans permit veterans to afford housing.
- 2) Buyers may make a fairly low down payment.
- 3) The federal government determines the interest rate.
- 4) Interest rates tend to be lower than those offered by other institutions.
- 5) The government agrees to pay a percentage of the loan if the buyer is unable to make payments.
- 6) The amount of the loan request cannot be more than the property appraisal.
- 7) These loans may also be applied to mobile homes and mortgages for second homes.

d. Lenders may charge discount points if they agree to accept FHA or VA loans.

(NOTE: One point is usually equal to one percent of the loan's value.)

- 1) About 2 points are charged for each quarter percent difference in the interest rate.
- 2) If a lender charges 15% and the VA/FHA charges 14% on a loan, the borrower pays 2 X 4 quarters of a percent or eight discount points.
- 3) Eight percent of an \$80,000 loan is \$6,400. This amount is paid to the lender in order to have a VA/FHA loan.

2. Variable payment mortgages

- a. Because of the high variation in interest rates that occurred in the late 1970's, lending institutions established variable rate mortgages.
- b. These mortgages force new borrowers to support those who have older fixed rate mortgages.
- c. Families who use such mortgages have greater difficulty planning for their housing expenses because their mortgage rates change periodically.

- d. Lenders have had to use such mortgages in order to attract new money to lend. If other agencies offer higher interest rates, lenders lose money for home loans to these agencies.
 - e. These mortgages usually demand lower rate payments in the first few years, higher payments in the later years.
(NOTE: This payment rate usually matches the homeowner's ability to pay because typical homeowners earn less in the early stages and more in the later stages of their career.)
3. Graduated payment mortgages
- a. Usually begin with a low monthly payment which increases each year.
 - b. Such mortgages are appropriate for families with steadily rising incomes.
 - c. Borrowers pay more interest on such loans because it takes longer to pay off the principal.
 - d. Homeowners do not have as much money in the house when they are ready to sell; thus, they cannot get as large a down payment and may not be able to buy another house as readily.
4. Adjustable rate mortgages (ARMs) have interest rates which rise and fall with national interest rates. ARMs may vary by:
- a. The number of interest charges that can take place within a set time period.
 - b. The level of the interest charged.
 - c. The highest limit that interest charges may reach.
 - d. The length of time new interest rates will be in effect.
 - e. The amount of each interest charge.
 - f. Features that prevent the borrower from limiting the amount invested in the home, called negative amortization.
5. Flexible loan insurance program
- a. All or most of a down payment is placed in an interest-earning account from which the borrower takes a portion to pay the home loan payment.
 - b. Because the lender performs more services for the borrower, interest rates and closing costs may be higher than for other types of mortgages.
 - c. If the family's income does not increase over time, payments may become a burden for borrowers.
(NOTE: This results from the fact that over the years the amount available for paying the loan from the savings account shrinks while

the amount the borrower must assume grows, placing an increasing burden on the borrower's ability to pay.)

6. Creative financing:
 - a. Seller financing:
 - 1) The seller keeps the original mortgage on the home and
 - 2) The borrower obtains a new mortgage at a lower than market rate. (Frequently, the seller finances this type of mortgage.)
 - 3) The lender makes payment on the original mortgage, the borrower makes payment to the lender on the new mortgage.
(NOTE: If the original loan payment is \$565 and the new loan payment is \$700, the lender gets the difference. Both seller and buyer are responsible for both loans.)
 - b. Taking back a second mortgage
 - 1) Buyers are expected to make a down payment and assume the first loan with its obligations.
 - 2) The seller lends the remaining money for the home at an interest rate that usually is lower or equal to current interest rates.
7. The financing method chosen depends on the options desired.
 - a. The amount to be paid per month
 - b. The interest rate of the loan
 - c. Number of changes in the interest rate acceptable
 - d. Upper limit on the interest rate
 - e. Frequency of changes in interest rates and when notified
 - f. Restrictions on negative amortization

XI. Select a home to purchase.

[Objectives 13, 14; TM 1, 2; HO 1, 2, 4; AS 6, 7; JS 1, 2]

A. Factors influencing home purchases

1. Type of monthly payments for the home
2. Neighborhood in which home is located
(NOTE: The neighborhood can influence the cost of the home as well as its resale value.)
3. Quality and availability of schools.
(NOTE: Be sure to check out factors such as level of support for the school, quality of teachers, salaries of teachers, property taxes which support schools, busing schedules and so forth.)

4. Age of the home
(NOTE: A new home is easier to finance than an older home.)
 5. Size
(NOTE: Check the home's dimensions by measuring the width and length of the home and multiplying to determine square footage. A family of four needs about 1350 square feet.)
- B. When deciding to purchase a home, the buyer should make sure the home is:
1. Structurally sound (good quality wood, free of damages, water-free basement).
 2. Well landscaped.
 3. Placed on a good sized lot.
 4. Located in a good quality neighborhood.
 5. Free of insect pests (i.e., termites).
 6. Wired to handle the required electrical appliances.
 7. Free of easements (i.e., a single driveway that must be used by two families to give access to their garage).
- C. House design can affect family efficiency.
1. Can the home be entered near the kitchen area?
(NOTE: An entrance in this area is helpful for unloading family groceries.)
 2. Does the kitchen enable the homemaker to supervise the remainder of the house easily?
(NOTE: If the kitchen is isolated from the rest of the house, child safety may be a factor.)
 3. When individuals enter the house, do they walk across rooms to get from one place to another?
(NOTE: Walking across rooms reduces privacy and efficiency.)
 4. Is there ease of movement from inside to outside the home?
(NOTE: This feature enables movement of materials, furniture, and supplies to and from the house.)
- D. The home site can affect the efficiency and value of the home.
1. The house may be set close to the street so there is a large private area in back of the house.
(NOTE: Lawn care, utility pipes and wires, as well as drive and walk care are reduced.)
 2. Homes should be placed on the high point of the lot for good drainage.

3. Homes should be placed so that their big windows face south, especially in the kitchen, dining and family rooms, to take advantage of winter sun and warmth.
4. Leafy trees should be placed on the south side of the house, pines on the north side.
(NOTE: Leafy trees shade the house from sun in the summer, while pines protect the home from cold north wind.)

E. Legal factors influencing home purchase

1. Do not sign a contract for a home before checking the exterior of the home.
2. Before signing the contract, check the interior of the home for damage which must be repaired.
3. Specify the date the seller (along with all belongings) will be out of the home.
4. Find out from the lender the amount of money required for closing costs.
5. Make moving arrangements.
6. Notify present landlord of intention to move.
(NOTE: The lease tells the length of time required to notify the landlord.)
7. On the date of closing:
 - a) Review costs of both the buyer and owner.
(NOTE: For example, the seller may pay the buyer the unpaid taxes for the time during which the seller stayed in the house.)
 - b) Provide the lender with evidence of having obtained insurance coverage for the home.
 - c) Sign the mortgage or other lending agreements which insure that the lender can take over the property if payments fail to be made.
 - d) Receive the title for the house (unless assuming the seller's loan).
 - e) Pay necessary closing costs.
 - f) The deed and mortgage will be recorded at the local registry of deeds.
8. The Real Estate Settlement Procedures Act of 1976 requires that lenders reveal closing costs.
 - a) Lenders must provide buyers with a booklet from the United States Housing and Urban Development Agency which explains housing settlement costs and procedures when applying for a mortgage.
 - b) Lenders must estimate settlement costs.
 - c) Lenders must provide the names of firms or persons who can help with insurance or other services.
 - f) When the loan is approved, the annual interest rate must be clarified.

XII. Analyze alternatives to single family homes.

[Objective 15; HO 1; AS 6, 7]

A. One of the most expensive housing choices is the single family home.

B. Cooperative apartments

1. Individuals in cooperatives lease their apartments.
2. Individuals pay a monthly fee for taxes, mortgage (for the building) and other services.
3. Each individual is responsible for his/her own payments and for those of others who fail to make payment.
4. Individuals vote and elect a board of directors. Permission to remodel one's apartment must be obtained from the cooperative.
5. Costs of cooperatives are about 20% less than apartments rented from a private landlord.
6. Cooperative owners have some tax advantages over apartment dwellers.
7. If the owner wishes to sell the apartment, approval of the cooperative is usually necessary.

C. Condominiums

1. Owners have an interest in the facilities owned in common, such as tennis courts, grounds, swimming pools and so forth.
2. Each owner is responsible for his/her own mortgage and taxes.
3. Owners elect managers to supervise the property.
4. Additional payments are made for upkeep and services such as lawn maintenance.
5. Owners are responsible only for their own expenses and not those of others as in the case of cooperatives. Owners may remodel, refinance, or sell their units without the approval of a board.

D. Townhouses

1. Townhouses are economical because they cost less to build.
2. Townhouses may also be labeled as condominiums.
3. Townhouses need good insulation and sound proofing materials between the common wall to reduce noise.

E. Mobile or manufactured homes

1. Mobile homes may be single or double wide.

(NOTE: Single wides have about seven to eight hundred square feet; double wides have about twelve to fourteen hundred square feet.)

2. When purchasing a mobile home, the buyer should be sure that the floors are solid, the roof is in good condition and well insulated, the walls are thick and well insulated and doors and windows are wide enough to allow easy exit in case of fire.

3. A suitable place to park the mobile home is necessary.

(NOTE: Fees are charged for renting space to park the home. Fees may include lawn care, property taxes, common recreation facilities, and utilities.)

4. Loans for buying a mobile home are similar to those for single family dwelling homes.

5. Modular housing is a cost-effective alternative.

(NOTE: Wet modular units include plumbing, heating and kitchen equipment. Dry modular units include sleeping, living, and dining rooms.)

6. Mobile or manufactured homes may lose their value quickly unless they are well maintained and located in good quality neighborhoods.

XIII. Describe factors involved in selling housing.

[Objective 16]

- A. The money invested in a house can help the homeowner buy a larger or better built home when the first home is sold.

- B. A home owner may decide to sell his/her home due to circumstances such as a transfer or the desire for improved living conditions.

- C. A home owner who wishes to sell will need to determine the home's value.

1. Realtors can appraise the home.
2. A professional appraiser can evaluate the home.

- D. Homes may appreciate or depreciate in value.

1. Homes appreciate (gain) in value if well kept, modernized through the addition of new appliances, remodeled, or landscaped attractively.
2. Homes may depreciate (lose) in value if located in declining neighborhoods, allowed to run down, or if the economy is depressed.

- E. A house may be sold by the owner or by a real estate agent.
1. The owner or agent will be responsible for advertising the home, showing it to prospective buyers, and carrying out sale details.
 2. A buyer may ask the owner to pay for title insurance and a survey of property boundaries.
- F. Selling a home requires that the seller pay a number of closing costs, the real estate agent's commission, if one is used, and moving expenses.
(NOTE: Moving into a new home also has many costs such as new rugs, paint, drapes or curtains, minor repairs and so forth.)
- G. If possible, remodeling the home to achieve desired living accommodations may be less costly than moving.
(NOTE: If remodeling, homeowners should be sure to hire competent contractors. Those who decide to do the work themselves should be sure they have the time and talent to carry out such work. Care should be taken when remodeling to make additions that help to sell the home and that do not reduce its value, e.g., removing a major supporting wall causing serious structural damage.)

Factors Affecting Housing Choice



SCHOOL

TRAFFIC SAFETY

ZONING

TRANSPORTATION

BANK

UTILITIES

GARBAGE
DISPOSAL

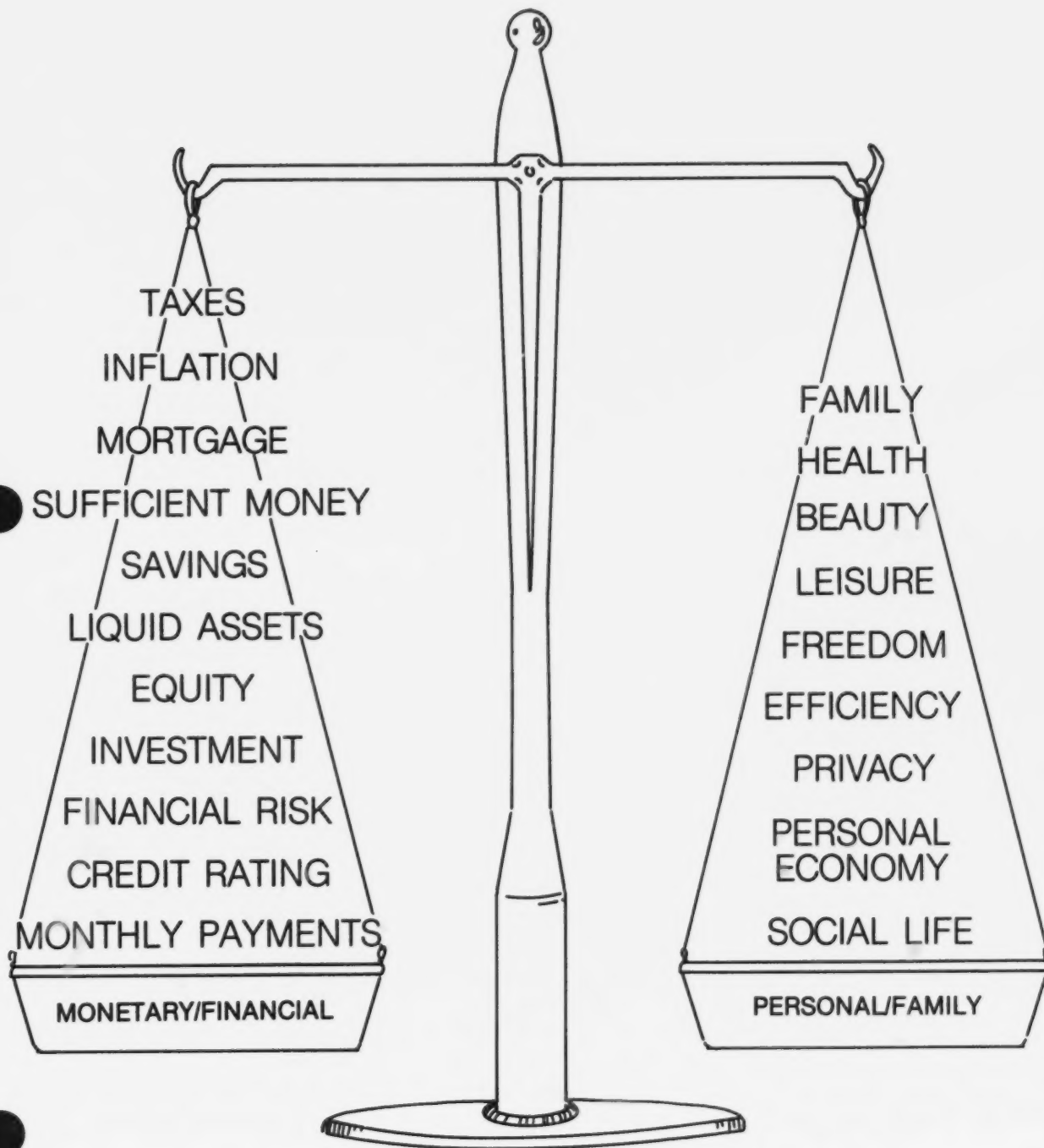
POLICE AND FIRE
PROTECTION

SHOPPING

RECREATION

CHURCH

Housing Values



Housing Questions



- Good Investment?
- Ownership Responsibilities?
- Risk of Financial Loss?
- Sufficient Funds to Buy?
- Freedom of Movement?
- Assets Liquid?
- Maximum Money to Spend?
- Feeling of Security?
- Freedom of Decoration?
- Improved Credit Rating?
- Attorney Needed?
- Protection Against Inflation?

HOUSING CASE STUDIES

(NOTE TO THE TEACHER: These case studies may be used for class discussions regarding housing selection and with Assignment Sheet 6, Job Sheet 1, and Job Sheet 2.)

CASE STUDY A: RITA AND CARL JOHNSON

Rita and Carl Johnson have been married four years. Carl has a good sales job with a nationally known company. His job requires that he move often, usually on very short notice. In fact, he and Rita have lived in three different cities since they were married. Both of them enjoy this type of life. Although they always hate leaving their friends, Rita and Carl enjoy seeing new places and making new friends. Moving is always a hassle for them. Rita and Carl have accumulated a lot of furniture and "junk" from the places they have lived. Since the company pays for the moves, however, they let the movers do most of the work.

Rita and Carl really enjoy their freedom. They take advantage of each move to see all the sights near that part of the country. On weekends, they often take off in the car for a trip to a nearby place of interest. When Carl has to travel during the week on business, Rita is sometimes able to accompany him. Rita works part-time, keeping her hours flexible so she can be ready to go somewhere on the spur of the moment.

In five years or so, Rita and Carl say they want to move less often. They may have a family started by then, and moving children so often could be a hardship. But for now, they want to take advantage of the opportunity to travel. It is important to them that they be free to go, with few responsibilities holding them down in their free time.

CASE STUDY B: TONY AND BELINDA FRANCISCO

Tony and Belinda Francisco have been married a little over a year. Both of them are working, and Tony is attending night school. They make enough money to pay for expenses, put a little aside for savings, and have a little fun, but they do have to plan their spending carefully. Tony likes his job, but it is only temporary until he graduates in eight months.

After Tony graduates, he and Belinda hope to find employment in a medium-sized city. They would like to live in a city small enough to be friendly and know their way around, but larger than the town both Tony and Belinda have grown up in. In their town, everyone seems to know too much about everyone else's business. Tony and Belinda both prefer as much privacy as possible. Although they are both friendly and outgoing, they resent "nosy neighbors" who try to interfere too much in their lives.

Belinda and Tony are both good at working with their hands. Tony is an amateur mechanic and carpenter, and Belinda enjoys all kinds of crafts and handwork. They don't mind doing a little work around their dwelling, as long as they have time for their own interests and activities. Their favorite relaxation is taking in a movie or having friends over for games, television, or small parties.

CASE STUDY C: ROSA AND ALONSO NUNEZ

Rosa and Alonso Nunez have been married for six years. They have little boys four and two years old, with another baby expected in four months. Alonso is an accountant with a local firm, a steady job with a good salary. He likes his job and has good prospects for advancement. Although Alonso and Rosa, like most families, have to watch their spending at times, they are much more financially secure than when they were newlyweds. They have a good savings built up for emergencies and for their future goals.

The family is the center of Rosa's and Alonso's activities. They don't spend a lot on outside activities or travel, because they prefer to do most things together at home. It is important to have a place which feels like a "home," where all members of the family feel they belong. So Rosa and Alonso enjoy doing things to make housing more comfortable, attractive, and enjoyable. Since Rosa is an excellent seamstress and gardener, she is able to contribute a lot to improving their dwelling.

CASE STUDY D: RALPH AND NANCY MARTIN

Ralph Martin is a carpenter who works for several local housing contractors. He enjoys his work very much, and is highly skilled. Ralph makes good money when jobs are plentiful, which they have been lately. He and his wife, Nancy, have always put a sizeable portion of Ralph's income in savings when his earnings are high. This helps them save for future goals, and for slack times when carpentry jobs are not so plentiful. Nancy works as a teacher in an elementary school, so she earns income on a regular basis.

The Martins have two children, a boy in the third and a girl in the first grade. Each family member is encouraged to pursue his or her own interests and hobbies. Hobbies of the family members include carpentry, other handicrafts, gardening, stamp collecting, needlework, and making model trains. The children and the parents often entertain friends at home. They have unique housing needs, and want housing which fits them specially.

(Adapted from: Consumer Education. Lubbock, Texas: Home Economics Instructional Materials Center, Texas Tech University.)

CALCULATING FUNDS AVAILABLE FOR HOUSING

This chart can be used to calculate the amount of money a family or individual has available for housing each month.

A.	Income Sources:	<u>Record</u>
	1. Wages/allowance (after deductions)	_____
	2. Social security	_____
	3. Savings account interest	_____
	4. Other income (i.e., securities, second job, etc.)	_____
	Total Net Income	_____
B.	Monthly Expenses:	
	1. Education costs	_____
	2. Car expenses	_____
	3. Food expenses	_____
	4. Household expenses (furniture, light bulbs, etc.)	_____
	5. Clothing expenses (purchase, care)	_____
	6. Medical/dental expenses	_____
	7. Gifts (holiday, birthdays, anniversaries)	_____
	8. Insurance expenses (car, health)	_____
	9. Personal care expenses (soap, cosmetics, toothpaste, etc.)	_____
	10. Child care expenses	_____
	11. Monthly savings account	_____
	12. Loan expenses (charge accounts, credit cards)	_____
	13. Utility costs (telephone, gas/ electricity, water)	_____
	14. Other additional expenses	_____
	Total expenses (nonhousing related)	_____
C.	Funds remaining for housing:	
	1. Total net income =	_____
	2. Total nonhousing expenses	_____
	Total remaining for housing	_____

CONTRACT for the SALE of REAL ESTATE

THIS CONTRACT, made and entered into this _____ day of _____, 19____, by and between _____ the Seller, _____ the Buyer.

The terms Seller and Buyer may be either singular or plural according to whichever is evidenced by the signatures herein.

WITNESSETH, for and in consideration of the mutual obligations of the parties hereto, the Seller hereby agrees to sell and convey to the Buyer and the Buyer agrees to purchase from Seller, upon the terms and conditions herein set forth, the following described real estate situated in the County of _____ State of Missouri, to-wit:

more commonly described as _____, Missouri, (with legal description on Seller's abstract to govern), together with the following described personal property, if any, now located thereon, to-wit: all heating, air conditioning, plumbing, and electrical systems, fixtures and equipment; all attached floor coverings, window shades, venetian blinds, curtain and traverse rods, storm doors and windows, screens, awnings, attached mirrors, and additionally to include, _____

and specifically to exclude the following items of personal property, _____

_____ subject however, to any reservations, easements or restrictions of record and any zoning laws, regulations or ordinances affecting the said property as will not materially interfere with such use of the property as the Buyer might reasonably expect to make in view of the general character of the area and neighborhood in which the property is located.

The price for said property shall be _____ Dollars (\$_____); to be paid by the buyer as follows: \$_____ at the time of the execution and delivery of this Contract, the receipt of which is hereby acknowledged by the Seller and which shall be deposited within two (2) working days with _____ in an escrow account, as agent for the Seller, as earnest money, as a part of the purchase price and as consideration for this Agreement, and upon delivery of the deed as herein provided, the Buyer shall pay the balance of the purchase price to Seller as follows: If Seller agrees to finance a part of the purchase price as set forth in the Contract Addendum (A), then by delivering the note and deed of trust as herein provided; or in the alternative, if Buyer is assuming and agreeing to pay an existing note or notes secured by a deed or deeds of trust which are presently outstanding as set forth in the Contract Addendum (A), then by Buyer accepting delivery of a deed containing the assumption agreement or agreements; and additionally by delivery to Seller the remaining balance of the purchase price, if any, in cash or by cashier's check.

CONTRACT ADDENDUMS

(only those checked shall be applicable)

- A _____ This Contract is given subject to the Buyer's ability to obtain financing under the terms and conditions set forth in the "Financing Agreement" attached hereto and incorporated herein as if set forth verbatim.
- B _____ "Standard Clause Addendum" attached hereto and incorporated herein as if set forth verbatim.

GENERAL CLOSING CONDITIONS AND SALES PRACTICES

The Seller shall within thirty (30) days, but not later than fifteen (15) days prior to the closing date specified herein, deliver to the Buyer an Abstract of Title to said property certified to date by a competent abstractor showing the title marketable in fact in the Seller and taxes, assessments, judgments and mechanics liens of record affecting said property, subject however to any exceptions herein stated.

The Buyer shall have ten (10) days after such delivery to examine said abstract and if the title of said real property is defective, the Buyer shall specify the objections in writing and deliver the same to the Seller at the office of the agent within ten (10) days after such delivery of the abstract. The Seller shall have any such defects corrected within sixty (60) days from the date of delivery of such objections. Any defects appearing in the abstract and not objected to, except liens of record which can be removed by the payment of money, shall be deemed waived only insofar as correction of the abstract is concerned. If any of said defects so noted are not corrected within sixty (60) days after delivery of such objections, then this Contract shall be null and void and the earnest money deposit shall be returned to the Buyer and the abstract returned to the Seller.

In lieu of the Seller furnishing to Buyer such Abstract of Title for examination, the Seller may within thirty (30) days, but not later than fifteen (15) days prior to the closing date specified herein deliver to the Buyer a commitment to issue an owner's policy of title insurance. Any commitment made hereunder shall be in the amount of the purchase price of the property, naming the Buyer as the insured and issued by a title insurance company licensed to write title insurance in Missouri, which policy shall insure the owner's title to be marketable in fact as called for by this Contract and shall provide that a policy shall be issued immediately after the Seller's general warranty deed to the Buyer is filed of record. All costs of said title insurance, including the premium for the final owner's title policy, will be paid for by the Seller.

It is understood and agreed that title herein required to be furnished is marketable title as set forth in Title Standard 4 of the Missouri Bar. It is also agreed that any encumbrance or defect in the title which is within the scope of any of the Title Standards of the Missouri Bar shall not constitute a valid objection on the part of the Buyer, provided the Seller furnishes the affidavits, or other title papers, if any, described in the applicable standard.

If the title to said real property be marketable in fact as called for herein, the Seller shall deliver for the Buyer at the office of said Seller's agent a general warranty deed free and clear from all liens and encumbrances whatsoever, except as herein provided, and the Buyer shall then and there pay the balance, if any, of said cash payment and deliver to the Seller the note and deed of trust, if any, as provided for herein.

The Seller shall pay in full all State, County and Municipal taxes and assessments, general and special, which are a lien on said property except taxes for this calendar year which shall be prorated as of the date of the delivery of the deed. If the amount of taxes cannot then be ascertained, proration shall be computed on the amount of general taxes for the preceding calendar year. The rental from said real property, if any, shall go to the Seller prorated to date of delivery of the deed and to the Buyer thereafter. Security deposits and advance rents, if any, shall be paid to Buyer at closing. In the event Seller has paid to any lender a deposit for taxes, such amounts shall be applied toward the payment of Seller's obligation under this paragraph and shall be assigned to Buyer and Buyer shall reimburse Seller for any excess over the amount of Seller's obligation and if such deposit is not sufficient to satisfy Seller's obligation hereunder, Seller shall pay to Buyer the amount of any difference.

It is understood and agreed that, because of the commitments of the parties, time is of the essence of this Agreement, and if the Seller has kept Seller's part of this Agreement by furnishing marketable title as herein provided, and the Buyer fails to comply with the requirements of this Agreement within ten (10) days thereafter, then the escrow deposit as aforesaid shall be paid over to the Seller as liquidated damages, actual damages being difficult if not impossible to ascertain, and this Agreement may or may not be thereafter operative, at the option of the Seller. If the aforesaid escrow deposit is paid over to the Seller, then it shall be divided equally between the Seller and the said named agent for the Seller provided, however, that the agent shall in no event receive any sum for services greater than the amount agreed to as commission.

It shall be Seller's obligation to keep the improvements on the said property fully insured until the date of the delivery of the deed to the Buyer. If the improvements on the said property are substantially damaged or destroyed by fire or other casualty prior to the closing of this sale, then the Buyer shall have the option of accepting the insurance proceeds and proceeding with his performance under this Contract, or cancelling this Contract whereupon the earnest money deposit as aforesaid shall be returned to the Buyer and the Abstract returned to the Seller.

In the event the parties hereto agree that any insurance policy on the property subject hereto is to be assigned to Buyer, then at the time of closing Buyer agrees to pay to Seller pro-rata any amount of unearned insurance premium thereunder and the policy shall be assigned to Buyer. In the event the Buyer is assuming indebtedness of the property which is secured by a deed of trust and the lender requires a continuation of the insurance deposit made by the Seller, then the Seller shall assign said deposit to the Buyer and the Buyer shall reimburse the Seller for the amount thereof.

DISCLAIMER AND RELEASE OF INFORMATION

It is further understood that the real estate firm, its agents and subagents, make no guarantee or representation as to the title of said real property, or discrepancies that survey may reveal, or as to the repair or condition of any of the buildings or improvements situated upon subject real property.

Permission is hereby granted by Seller and Buyer for the agent to provide sales data information of this transaction, including selling price and property address, to the local Board of REALTORS®, its members, member's prospects, appraisers and other professional users of real estate data.

SELLER'S WARRANTIES AND TERMITE INSPECTION

A. Seller warrants that all heating, air conditioning, electrical, sewer and plumbing systems, equipment and all appliances remaining with the property are in good working order and Seller agrees to maintain all systems, equipment and appliances in good working order until the date of closing of this Contract. Buyer, or Buyer's agent shall have the right to enter and to inspect said systems, equipment and appliances prior to closing. The parties agree, at _____'s expense, to have all utilities turned on during the period specified for the inspection. The parties acknowledge that neither the real estate firm, its agents, nor sub-agents shall have any responsibility for seeing that said items are in good working order.

B. Seller warrants and represents to Buyer that Seller has no notice of knowledge of: (a) Planned or commenced public improvement which may result in special assessment or otherwise directly and materially affect the property except as disclosed herein; (b) Any government agency or court order requiring repairs, alterations or correction of any existing conditions except as disclosed herein; (c) Any structural or mechanical defects of material significance in the property, including the adequacy and quality of water and sanitary disposal systems except as disclosed herein; (d) Any mechanics liens or other encumbrances which may be assessed against the property.

C. Seller agrees to allow Buyer to obtain inspection of the dwelling for termites and/or wood boring insects _____ days prior to closing. If infestation is found, Seller agrees to pay for treatment for extermination as necessary. If damage from infestation is found, Seller agrees to pay the first \$_____ of repair. If estimated repairs exceed that amount, this Contract shall be voidable at the Buyer's option.

CLOSING AGREEMENTS

The sale under this Contract shall be closed at the office of _____ in _____, Missouri, on the _____ day of _____, 19____, at _____ o'clock _____ M., or at such other time and place as the parties may mutually agree. If there are defects in the title to the property which require correction, then the time of closing may be extended by the application of the General Closing Conditions and Sales Practices provisions set forth herein.

Possession shall be delivered to the Buyer on _____ subject to the rights of _____ who occupy the premises. The Seller agrees to pay the agent the commission agreed upon between them.

FINANCING AGREEMENTS

(Only those sections checked shall be applicable.)

A. **LOAN ASSUMPTION:** The real property described above is subject to the lien of a first deed of trust, securing the payment of a promissory note payable to _____, with a remaining term of approximately _____ years, and bearing interest upon assumption at the rate of _____ percent per annum, with an unpaid balance of principal thereon as of the closing date of approximately \$_____. and the Buyer will, on the closing date, as part of the purchase price, assume and agree to pay the actual remaining unpaid balance of said note. (Note: assumption by Buyer does not necessarily relieve Seller from continued liability.) In the event Buyer is unable to obtain written consent, if required, within _____ days hereof, then this Contract shall be null and void and the earnest money deposit shall be returned to Buyer.

B. **SELLER FINANCING:** Seller agrees to finance a part of the purchase price in the amount of \$_____ to be evidenced by a negotiable purchase money promissory note in a form approved by Seller to be amortized in equal monthly installments over a period of _____ years bearing an interest rate of _____ percent per annum and secured by a _____ deed of trust in a form approved by Seller and covering the property described above, with the entire unpaid principal and interest to be paid in full at the end of _____ years. Said promissory note shall _____ be due and payable ON DEMAND in the event of transfer or conveyance of said real estate. Makers of said note shall _____ have the right to make prepayment in full or part at any time without penalty. Seller shall have _____ days to investigate Buyer's credit credentials and financial condition and if unacceptable shall notify Buyer in writing at which time this Contract shall be null and void and Buyer's earnest money returned.

C. **CONVENTIONAL TERM LOAN:** This Contract is given subject to the Buyer's ability to obtain a conventional fixed rate loan or loans in the amount of \$_____ payable over a period of not less than _____ years and bearing interest at a rate of not more than _____ percent per annum, with not more than _____ loan points required to be paid. The Seller shall not be obligated to pay any of the expenses incidental to the obtaining of such loan or loans. The Buyer shall use reasonable diligence in seeking to obtain such loan or loans, and in the event the Buyer is unable to obtain such loan or loans commitment within _____ days hereof, then this Contract shall be null and void and the earnest money deposit shall be returned to the Buyer.

D. **CONVENTIONAL BALLOON LOAN:** This Contract is given subject to the Buyer's ability to obtain a conventional loan or loans in the amount of \$_____ with a calculated monthly amortized repayment term of not less than _____ years, and which also provides for the balance of principal to become due and payable in full after _____ years, bearing interest at a rate of not more than _____ percent per annum, with not more than _____ loan points required to be paid by Buyer. The Buyer shall use reasonable diligence to obtain such loan or loans and in the event Buyer is unable to obtain such loan or loans commitment within _____ days hereof, then this Contract shall be null and void and the earnest money deposit shall be returned to the Buyer.

E. **ADJUSTABLE RATE LOAN:** This Contract is given subject to the Buyer's ability to obtain a conventional loan or loans in the amount of \$_____ with a calculated monthly amortized repayment term of not less than _____ years, bearing interest at an initial rate of not more than _____ percent per annum, with provision for interest rate adjustments of not more than _____ percent per annum each _____ year(s) and total interest rate adjustments of not more than _____ percent per annum over the repayment term of the loan and with not more than _____ loan point(s) required to be paid by the Buyer. Seller agrees to pay _____ loan points. The Buyer shall use reasonable diligence to obtain such a loan and in the event Buyer is unable to obtain such loan commitment within _____ days hereof, then this Contract shall be null and void and the earnest money deposit shall be returned to the Buyer.

F. **GOVERNMENT LOAN:** This Contract is given subject to the Buyer's ability to obtain a U.S. Government insured or guaranteed loan in the amount of \$_____ payable over a period of not less than _____ years and bearing interest at the rate of not more than _____ percent per annum with not more than _____ loan points required to be paid by Buyer. In the event such a loan is obtained, Seller agrees to pay the loan points which may not be paid by Buyer, if any, not to exceed _____ points. The Buyer shall use reasonable diligence to obtain such a loan. If the Buyer is unable to obtain such loan commitment within _____ days hereof, then this Contract shall be null and void, and the earnest money deposit shall be returned to the Buyer.

THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE.

ACKNOWLEDGEMENTS

IN WITNESS WHEREOF, the Buyer has executed this Agreement on the day and year first above written and acknowledges receipt of one copy of this contract which offer set forth herein shall automatically expire at _____ M. on _____, 19____. If not accepted by Seller by that time or withdrawn by Buyer in writing prior to that time.

Seller _____ Buyer _____

Date _____ Time _____ Date _____ Time _____

This transaction is a co-brokered sale through _____ (listing firm). The undersigned agent acknowledges receipt of the earnest money deposit.

Agent _____ Firm _____

Approved by Legal Counsel for the Columbia Board of REALTORS®.

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POINTS TO CHECK ON THE OUTSIDE OF A HOUSE

Directions: As you check the outside of the home you wish to buy, place a check in the column which best reflects the condition of each item.

Check Points

	<u>Acceptable</u>	<u>Unacceptable</u>	<u>Comments</u>
* Exterior Paint	_____	_____	_____
* Siding	_____	_____	_____
* Brickwork	_____	_____	_____
* Roof	_____	_____	_____
* Windows	_____	_____	_____
* Screens	_____	_____	_____
* Storm windows	_____	_____	_____
* Doors	_____	_____	_____
* Gutters/downspouts	_____	_____	_____
* Chimneys	_____	_____	_____
* Driveway	_____	_____	_____
* Walks	_____	_____	_____
* Grounds	_____	_____	_____
* Sewer/drainage	_____	_____	_____
* Foundation	_____	_____	_____
* Other _____	_____	_____	_____

Points Earned: _____

UNIT V

1. The form of loan repayment agreed to.
2. Money given to home owner to show serious intent to buy the house.
3. An agreement signed by the buyer indicating the process for repayment of the loan.
4. The specific amount of a loan.
5. A service charge made by lenders for processing FHA/VA loans.
6. Organization whose members own a share in a nonprofit corporation owning a building.
7. A property evaluation.
8. Money required by a landlord to cover property damage.
9. A privilege to use another person's land.
10. Legal ownership of property.

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Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 2--NAME FACTORS INFLUENCING HOUSING CHOICES

Directions: Read the case situation below. Then name factors which influence housing choices by filling in the blanks.

John and Jane plan to be married in the near future. One of their dreams is to have their own home. After their marriage, John and Jane plan to live in an apartment until they can find a home to buy. Their ability to find suitable housing will depend on access to _____, _____, _____, and _____ materials. Where the couple decides to live is also important, since _____

_____. John and Jane are concerned that the purchase of a well-equipped, spacious, single family home may be too _____. If they decide they cannot afford to buy a home, housing alternatives include _____, _____, and _____.

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 3--DETERMINE THE COST OF RENTING HOUSING

Directions: Read the problems below and calculate the cost of renting housing in each situation. Show your work. The first problem is worked for you as an example.

1. Tracy and Timothy Bright have signed a two-year lease for their new apartment. The monthly rent payment is \$380. What is the total rent they will have to pay over the two-year period?

Monthly rent \$380

Number of months in
a two-year period X 24

Total rent \$9,120

2. Gary and Maurine Cooper have signed a one-year lease for their new apartment. The monthly rent payment is \$345. What is the total rent they will pay over the period of one year?

3. Jason shares an apartment with a friend while they both attend college. The total rent each month is \$330. Jason pays half of the rent each month. He will be attending college for a total of four years and plans to remain in this apartment. Jason lives in the apartment year-long, because he works in a nearby grocery store during his summer breaks. Assuming that Jason continues to have a roommate who shares half the rent costs and that the landlord does not increase the rent, how much will Jason pay in rent by the time he graduates from college?

4. Ben and Linda Rice rent a large two-story townhouse for \$625 a month. How much do they pay each year for rent?
5. Hope Daley has been apartment-hunting. On Tuesday she found an apartment she likes and which has a monthly rent of \$268. She would have to pay for utilities, which are estimated at \$96 a month. On Wednesday, Hope found another apartment which she also likes. This second apartment rents for \$340 with utilities included. What would be the cost of each apartment with utilities per month? For one year? When both utilities and rent are considered, which apartment is less expensive?
6. Gwen and Lance Camelot pay a monthly rent of \$352.75 for their apartment. In addition, they rent a summer cabin for \$85 a week for four weeks each summer. How much rent do they pay in one year? In a three year period?
7. Sam and Cindy Sanders have just moved from their small efficiency apartment to a duplex which rents for \$360 a month. They were required to pay one month's rent on the duplex as a security deposit. They paid an additional half-month's rent deposit for keeping their pet poodle on the property. The utility deposit was \$35 and the telephone hookup cost \$50. The Sanders paid to have their furniture moved from their old apartment to their new duplex. The move took 5 hours at \$35 an hour. What were the Sanders' total moving costs, including the first month's rent?

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 4--DETERMINE THE COST OF OWNING HOUSING

Directions: The Lee family is buying a new, larger home. The home they have selected costs \$50,000. Work the following problems to learn about the costs involved in buying and owning a home.

1. The Lees make a 10 percent down payment and take out a mortgage for the balance of the price. How much is the down payment?

Down payment = 10% of \$50,000

$$= .10 \times \$50,000 = \underline{\hspace{2cm}}$$

How much is the mortgage?

Mortgage = house price minus down payment

$$= \$50,000 - (\text{amount of down payment}) \underline{\hspace{2cm}}$$

2. On the day they take possession of their new house, the Lees must pay closing costs. Finish the following computations to find the total amount of the closing costs.

Legal fees

6 hours at \$75 an hour
= 6 x \$75

\$ _____

Title search

\$ 100.00

Title insurance

Rate = \$6 per \$1,000 of mortgage
Number of 1,000 in \$45,000
= \$45,000/\$1,000 = 45
45 x \$6 =

\$ _____

Quarterly property taxes

\$ 125.00

Appraisal and other bank charges

3 days at \$110 a day
= 3 x \$110 =

\$ _____

Home insurance rate

\$8 per \$1,000 on 80 percent
of value of property
Value of property = \$50,000
80 percent of value =
.80 x \$50,000 = \$40,000
Number of 1,000's in \$40,000 = 40
Home insurance = 40 x \$8 =

\$ _____

Surveyor's fee

\$ 75.00

2-point fee

2-point fee = 2 percent of mortgage
= .02 x \$45,000 =

\$ _____

Total fees and expenses =

\$ _____

3. In addition to the down payment and closing costs, the Lees have several other expenses associated with moving into a new house. Finish the following computations to find the total costs of buying and moving into a new home.
(HINT: The amount of the down payment and closing costs can be found in the answers to problems 1 and 2.)

Down payment = \$ _____

Closing costs = \$ _____

Utility deposit = \$ 75.00

Telephone hookup = \$ 50.00

Movers
8 hours at \$45 an hour
= 8 x \$45 = \$ _____

Additional furnishings for new,
larger home \$ 750.00

Total expenses \$ _____

4. To determine the Lee's monthly payments, the bank uses the mortgage loan schedule shown below. The Lee's have a 25 year loan at 10%. Follow the directions to compute the Lee's monthly payment on their new house.

Mortgage Loan Schedule (Monthly cost Per 1,000)				
Years	9%	10%	11%	12%
15	10.14	10.75	11.37	12.01
20	9.00	9.65	10.32	11.02
25	8.39	9.09	9.80	10.54
30	8.05	8.78	9.52	10.29

Find 25 in the years column and go across the 25 row to the 10% column. The amount where the 25 row meets the 10% column is 9.09. This is the monthly payment for each \$1,000 the Lee's have borrowed.

The number of \$1,000's in \$45,000 = 45
 45 x \$9.09 = the monthly payment
 45 x \$9.09 = _____

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 5--DISTINGUISH BETWEEN THE ADVANTAGES OF BUYING
OR RENTING HOUSING

Directions: Distinguish between the advantages of buying or renting housing by placing the number of each statement in the appropriate column: "Renting" or "Home Ownership."

Statements

1. Have little concern about upkeep of dwelling
2. Large amounts of personal savings are not used for dwelling
3. Receive tax benefits from dwelling
4. Usually need not buy large appliances
5. Develop pride in dwelling
6. Can easily leave their dwelling
7. Can be an investment in inflationary times
8. Can easily make changes in property
9. Need not worry about property maintenance
10. Can determine housing costs more exactly

Renting

Home Ownership

Name: _____
 Point Value: _____
 Points Earned: _____

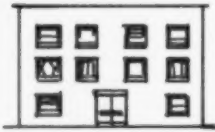
MEETING HOUSING NEEDS

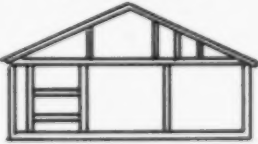
UNIT V

ASSIGNMENT SHEET 6--ANALYZE AND SELECT HOUSING

Directions: Carefully read the housing descriptions that follow. Then decide which type of housing you would prefer and explain why in the space provided.

(NOTE TO THE TEACHER: As an alternate activity, students may select appropriate housing for one of the case study situations on Handout 1. Additional case studies are provided in Unit II on Handout 3 and Job Sheet 1.)

Housing Choice	Description of Housing	Housing Choice/Explanation
Rent Apartment 	Furnished: Furniture included. Owner/manager responsible for upkeep and repairs Unfurnished: Furniture not included. Owner/manager responsible for upkeep and repairs.	
Mobile Home 	Buy: Put mobile home on a lot you own or pay rent for. Make payments on mobile home purchase. Provide own furnishings. Responsible for upkeep of lot and home. Rent: Pay rent for use of lot and mobile home. Upkeep of lot is renter's responsibility. Taxes on mobile home are owner's responsibility.	

Housing Choice	Description of Housing	Housing Choice/Explanation
Buy Condominium 	Purchase the condominium and provide own furnishings. Pay monthly condominium association fees. Land is jointly owned (or leased) by all persons in the association. Association pays maintenance personnel for exterior upkeep. Condominium owner is responsible for interior upkeep. Condo owner pays taxes on condo. Land owner pays taxes on land.	
Rent House 	Furnished: Furniture is provided. Major appliances are included. Landlord has major responsibilities of upkeep, repairs, and taxes. A lease may be required. Unfurnished: Furniture and major appliances are not provided. Landlord has major responsibilities of upkeep, repairs, and taxes. A lease may be required.	
Buy House 	Furnishing must be provided by the purchaser. Owner is responsible for upkeep, repairs, and taxes on property.	
Build House 	Pay for and build, or have built, house of desired plan. Furnishing must be provided by owner. Owner has full responsibility for taxes, upkeep, and repairs of house and land.	

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 7--ASSESS BUDGET AND INCOME FACTORS IN SELECTING HOUSING

Directions: Read the five case studies. Then give your opinion by answering the related questions.

CASE A: Kathy and Doug Martin are planning to buy a home as soon as possible. Doug has taken over Kathy's father's prosperous funeral home business and is doing well. Kathy teaches physical education at the local high school. They are planning to have children soon.

Questions

1. What possible changes do you see in Kathy and Doug's income?
2. How will these changes affect the amount of money they will have available for housing?
3. Assuming Doug's job is both profitable and stable, how can the couple decide how much to spend on a home?

CASE B: Betty and Bob are looking for a home to purchase for themselves and their four school-age children. Bob is a sales representative for a car dealership and Betty is a secretary. They have looked at several homes but are having difficulty deciding how much they should spend.

Questions

1. How stable is a car sales representative's job?
2. Project future expenses on other items for this large family.
3. In view of the first two answers, make suggestions for investing in a home for this family.

CASE C: Angie and Bill and their two children are growing out of their trailer home and are searching for suitable housing. They cannot afford an expensive home because Bill's recent accident and hospital stay used most of

their reserve savings. They are discussing purchasing an older home and fixing it up to their liking.

Questions

1. What problems do you see for this couple if they follow the above plan?
2. Do you see alternatives to their plan which might be less expensive in the long run?

CASE D: Alice and Don are a young couple in their late 20's. They have decided not to have any children. For the past several years of their marriage they have traveled extensively when the demands of their successful careers allowed them to do so. They have always lived in apartments but are now ready to purchase a home and do some entertaining.

Questions

1. What are the values of this couple, according to this story?
2. How will each value affect the amount of money they may be willing to pay?
3. Assuming that by "successful careers" this couple has an above-average income, how would you compute the amount they could afford to spend on housing?

CASE E: Mary is a single woman who is in her early 30's. Her job requires her to do quite a bit of business entertaining, often in her home. She is looking at a home with 4 bedrooms and is particularly excited about the large living and family rooms.

Questions

1. Although the home she is now considering has large entertaining rooms, she will not need or use four bedrooms. Is there an alternative approach to her housing problems?
2. Can a single person "afford" to buy a home?

(Source: Joyce Sawatzky; Housing and Home Furnishings. Stillwater, Oklahoma: Vocational Home Economics Education, State Department of Vocational-Technical Education.)

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 8--SEQUENCE STEPS OF PURCHASING A HOME

Directions: The following is a narrative of steps the Bakers proceeded through when they purchased their home. However, the steps are out of sequence. Rearrange them into proper procedural order by placing the sequence number (1, 2, 3, etc.) in the blank to the left of each statement.

- ____ A. An abstract of the title for the name was made.
- ____ B. Mr. Baker arranged for title insurance through the realtor's company.
- ____ C. Mrs. Baker selected the home at 407 Westwind Lane.
- ____ D. Mrs. Baker wrote an earnest money check amounting to \$550.
- ____ E. Their realtor delivered the deed and the Bakers signed it.
- ____ F. The realtor made sure the deed was correctly recorded at the county courthouse.
- ____ G. Mr. Baker arranged for the mortgage loan.
- ____ H. A title search was made on the house.
- ____ I. The Bakers made a purchase bid on the house with their realtor.
- ____ J. The bid was accepted and a sale agreement was signed.

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 9--DESCRIBE LEGAL POINTS OF BUYING A HOME

Directions: Use this study guide to help you review points related to legal contracts for housing (Section F, Content Outline). Supply the desired responses by reviewing your notes as you complete each item.

1. If you decide that you seriously want to buy a specific home, what will the present homeowner expect of you?

2. When you take the above step, what legal form will be drawn up at the same time? _____
3. If you decide to withdraw your offer for the home, what would happen to the action you took in #1 above?

4. List 6 of the 16 items which should be included in a contract of sale:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
 - f. _____
5. What types of mortgages require the federal government to establish loan rates?

6. If your lender indicates that she/he will charge points because of the type of loan you are applying for, compute the amount you would have to pay in the following example:

- A. You have applied for a loan on which the interest rate is one point below current interest rates. You would pay _____ interest points.
- B. You plan to acquire a \$65,000 loan. How much money would you owe the lender to take care of the points charge? Show your work.

Amount = _____

7. You are considering applying for a variable rate mortgage. Explain what happens when you try to budget your house payments with this type of mortgage.

8. Identify the type of mortgage that is appropriate for a family with a steadily rising income

9. Identify the type of mortgage agreement in which interest payments rise and fall with current national rates.

10. Give an example of a creative financing strategy.

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

ASSIGNMENT SHEET 10--ANALYZE CONTRACT FOR SALE OF REAL ESTATE

Directions: Using HO-1, or a Contract for the Sale of Real Estate obtained from a local real estate agent, carry out the following steps to analyze the contract.

- A. Read through the entire handout, "Contract for the Sale of Real Estate."
- B. Analyze the contract by responding correctly to the following items.
 - 1. When signed, is this contract legally binding? Can it be enforced?
 - 2. When completed, does this contract include a description of property?
 - 3. Does the contract include one form of payment or more than one form of payment?
 - 4. Does the contract indicate who can pay points and/or who cannot pay points?
 - 5. Closing information included: (a) time of closing, (b) place of closing, (c) date of closing, (d) extension of closing.
 - 6. Signers of the contract include: (a) the buyer, (b) the seller, (c) the lender, (d) the real estate agent.
- C. Summary

In your own words summarize from your reading the points you need to be aware of before signing a Contract for the Sale of Real Estate. List your points in the space below.

MEETING HOUSING NEEDS

UNIT V

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

1. amortization
2. earnest money
3. mortgage note
4. principal
5. discount point
6. cooperative
7. appraisal
8. deposit
9. easement
10. title

ASSIGNMENT SHEET 2

land, money, energy, building
housing costs vary across the United States
expensive
apartments, mobile homes, condominiums, cooperatives

ASSIGNMENT SHEET 3

1. \$9,120
2. \$4,140
3. \$7,920
4. \$7,500
5. First apartment = \$364 per month, \$4,368 per year
Second apartment = \$340 per month, \$4,080 per year
The second apartment is less expensive.
6. One year = \$4,573
Three years = \$13,719
7. \$1,160 (deposit = \$360, pet deposit = \$180, utilities = \$35
and \$50, movers = \$175, first month's rent = \$360)

ASSIGNMENT SHEET 4

1. Down payment = \$5,000
Mortgage = \$45,000
2. Legal fees = \$450
Title insurance = \$270
Appraisal/bank charges = \$330
Home insurance = \$320

- 2-point fee = \$900
- Total fees and expenses = \$2,570
- 3. Down payment = \$5,000
- Closing costs = \$2,570
- Movers = \$360
- Total expenses = \$8,805
- 4. \$409.05

ASSIGNMENT SHEET 5

Renting: 1, 2, 4, 6, 9, 10
Home ownership: 3, 5, 7, 8

ASSIGNMENT SHEET 6

Evaluated to the satisfaction of the teacher.

ASSIGNMENT SHEET 7

Evaluated to the satisfaction of the teacher.

ASSIGNMENT SHEET 8

A.	6	F.	10
B.	7	G.	8
C.	1	H.	5
D.	4	I.	2
E.	9	J.	3

ASSIGNMENT SHEET 9

1. That you give him/her earnest money of \$100 to \$1,000.
2. An earnest agreement or binder
3. Would lose the earnest deposit
4. Any six of the following in any order:
 - names and addresses of buyer and seller, amount of earnest money, who holds the money until the sale is closed, cost of the home, closing date/time, provisions for extending the closing date, location of the closing, special adjustments, how the deposit (earnest money) will be handled if the contract fails to go through, real estate agent/broker fees, conditions for inspecting the home before closing the contract, furnishings and fixtures that go with the home sale, repairs to be made by seller prior to closing, property easements, special assessments of the property are not charged to new owners, other special services
5. Federal Housing Administration, Veterans Administration

Loans

6. A. 8
B. \$5,200
7. Because they may vary every so often, it is hard to know how much to budget for housing expenses.
8. Graduated payment mortgage
9. Adjustable rate mortgage
10. A seller may finance the buyer so they can purchase a home or they may take back a second mortgage to sell the home.

ASSIGNMENT SHEET 10

- B. Evaluated to the satisfaction of the teacher in accordance with information presented in the unit and on the contract analyzed by students.
- C.
 1. The legality of the contract
 2. The correct property description
 3. What can and cannot be removed from the home upon sale
 4. How you will pay for the home
 5. Whether points will be paid
 6. All necessary closing information
 7. Whose names must be on the contract

Name: _____

MEETING HOUSING NEEDS

UNIT V

JOB SHEET 1--SELECT A HOME TO PURCHASE

I. Materials:

Newspaper property listing section
Handout 1

II. Procedures:

- A. Select one case study family described on Handout 1.
- B. List items you would look for in selecting housing for this family. Should they rent or buy?
- C. Review local newspaper ads for housing, keeping Handout 1 and the list you made in B available for reference.
- D. Select housing for the family. Cut out the descriptive newspaper ad and attach it to a sheet of paper (or copy the ad onto a sheet of paper).
- E. Below the ad, write why you made this housing selection for the family.

III. Discussion:

- A. Share your housing choice with members of the class.
- B. Discuss the similarities and differences in housing selection made for the same families.
- C. In selecting housing, what criteria did class members use? List these on the board. How many different ideas and points of view are found? How many similarities are found?

Evaluation Criteria	Point Value	Points Earned
1. Made list of housing criteria for family		
2. Selected appropriate ad		
3. Wrote analysis of housing selection		
4. Prepared analysis neatly, with correct grammar		
5. Participated in class discussion		
Total Points		

347

Name: _____

MEETING HOUSING NEEDS

UNIT V

JOB SHEET 2--RESEARCH THE CHOICE OF HOME TO PURCHASE

I. Materials:

Newspaper property listing section
Handout 1 (optional)

II. Procedures:

A. Review local newspaper ads for lists of homes.

B. Select one ad and analyze it for the following points:

1. Listed cost: _____
2. Location (evaluate strengths and weaknesses)

3. Schools to which children would be sent (list elementary, junior high and high schools as appropriate). _____

(NOTE: You may need to check with the principal to find this information in larger urban areas)

4. What is the age of the home, if given: _____
5. How large is the home (square footage, if given):

C. Travel to the home identified in the ad and analyze:

1. The position of the home on the lot: _____

2. Landscaping provided: _____

3. Exterior upkeep of the home:

D. Based on the information you collected, analyze the following points on the basis of your family or selected case study family (See Handout 1).

1. Do the owners indicate that they are willing to accept less than the stated price for the house in the ad?_____
2. Would your family be able to afford such a home?_____
3. Would your family be satisfied with the home's location? Why?_____
4. Would the schools you are expected to attend make any differences in your choice of the house? Explain!_____
5. Is the home large enough for your family? Why?_____
6. Is the placement of the home on the lot suitable? Why?_____
7. Evaluate the landscaping of the property_____
8. Is the exterior of the home acceptable to your family? Explain!_____

E. When you have completed your form, share your results with others.

Evaluation Criteria		Point Value	Points Earned
1.	Selected appropriate ad		
2.	Recorded desired information		
3.	Visited the home site		
4.	Prepared analysis of home		
5.	Shared results with others		
Total Points			

Name: _____
Point Value: _____
Points Earned: _____

MEETING HOUSING NEEDS

UNIT V

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|--------------------|-----------------|
| a. earnest money | g. modular |
| b. principal | h. easement |
| c. mortgage | i. title |
| d. foreclosure | j. commission |
| e. discount points | k. amortization |
| f. appraisal | l. deposit |

- | | | |
|-------|-----|--|
| _____ | 1. | A percentage of the property sale price earned by the agent responsible for selling the property. |
| _____ | 2. | Money required by a landlord from a tenant to cover damages to rented property. |
| _____ | 3. | Housing for which sections are manufactured and shipped to be assembled on the owner's site. |
| _____ | 4. | A property evaluation to determine worth or value. |
| _____ | 5. | Pledging property to a creditor as a guarantee that a debt will be repaid. |
| _____ | 6. | A service charge made by lenders to process FHA or VA mortgages. |
| _____ | 7. | Legal proof or right to the ownership of property. |
| _____ | 8. | The specific amount of the loan. |
| _____ | 9. | A privilege that an individual may have to use another's land. |
| _____ | 10. | An amount of money given to a home owner by a potential buyer to indicate serious intent to buy the house. |

- _____ 11. Legal action taken by the lender to take over a property when regular payments have not been kept up on a mortgage.
- _____ 12. Gradual payment at intervals of a debt.

Part Two: Multiple Choice

Directions: For each of the questions below, choose the one best answer by circling the letter of the correct statement.

13. Finding suitable housing depends upon access to :
- a. Lifestyle, career goals, and money
 - b. Land, money, energy, and building materials
 - c. Values, goals, and energy
 - d. Real estate agents and brokers
 - e. Land, money, and energy
14. All of the following are financial considerations in choosing housing, except:
- a. Monthly income
 - b. High housing costs
 - c. Monthly expenses
 - d. Personal values
 - e. Savings
15. If you earn \$25,000 per year, what do experts recommend as the maximum cost of the home you should purchase?
- a. \$62,500
 - b. \$25,000
 - c. \$50,000
 - d. \$75,000
 - e. \$72,500
16. Apartment dwellers lack the _____ advantages of home owners.
- a. Comfort
 - b. Freedom
 - c. Payment
 - d. Utility
 - e. Tax

17. The item which should be included in a lease agreement is:
- a. Legal rights and responsibilities
 - b. Renewal procedures
 - c. Rent controls
 - d. Safety codes
 - e. Energy costs
18. When renting property, tenant's rights include:
- a. Low utility bills
 - b. Rent controls
 - c. Safe heating and lighting
 - d. Energy efficient appliances
 - e. Laundry facilities
19. What is the typical percentage most real estate agents charge to handle the selling of a home?
- a. 3 to 4 percent
 - b. 6 to 7 percent
 - c. 9 to 10 percent
 - d. 5 percent
 - e. 10 percent
20. Which of the following is an example of a discriminatory practice in selling housing?
- a. The amount of earnest money required is more than the buyer has.
 - b. The real estate agent offers the buyer advice on the type of home he/she can afford.
 - c. The real estate agent refuses to show the buyer homes in specific neighborhoods.
 - d. Home prices quoted are consistent for all buyers.
 - e. The real estate agent charges a high fee.
21. What is the name of the act that requires lenders to disclose closing costs?
- a. Real Estate Settlement Procedure Act
 - b. Real Estate Disclosure Act
 - c. Full Disclosure Act
 - d. Magnusson - Moss Real Estate Act
 - e. Real Estate Procedures Governance Act

22. On the date of closing, you must show the lender that you have obtained _____ coverage on the home.
- a. Mortgage
 - b. Insurance
 - c. Lien waiver
 - d. Financial
 - e. Maintenance
23. What agency can provide you with information on housing settlement costs?
- a. Home Owner's Association
 - b. Better Business Bureau
 - c. Housing and Urban Development
 - d. Home Dwellers' Association
 - e. Housing and Land Development
24. Which of the following statements about a contract of sale for housing is false?
- a. The earnest agreement and sale contract may be combined into one document.
 - b. If the terms of the agreement are not met, the contract is annulled.
 - c. Before signing the contract, it should be completely filled out.
 - d. A binder does not have to be a part of the contract.
 - e. The form used for a contract can only be obtained from a qualified attorney.
25. Lenders are required by law to do all of the following for home buyers, except:
- a. Provide information explaining housing settlement costs and procedures when applying for a mortgage
 - b. Estimate settlement costs
 - c. Assure that anyone who wishes to buy a home receives financing to do so
 - d. Provide names of firms or persons who can help with insurance
 - e. Clarify the interest rate when the loan is approved

Part Three: Matching

Directions: Match the types of home financing with descriptive statements by writing the letter for the financing type beside the statement that accurately describes it.

- a. Seller financed
- b. Graduated payment
- c. Federal Housing Administrative loan
- d. Adjustable rate

- _____ 26. Begins with a low monthly payment which increases each year
- _____ 27. May involve discount points
- _____ 28. Interest rates change according to national interest rates
- _____ 29. Owner keeps original mortgage on home while financing buyer's mortgage

Directions: Match the types of housing with descriptive statements by writing the letter for the type of housing beside each statement that accurately describes it.

- a. Condominium
- b. Mobile home
- c. Townhouse
- d. Cooperative

- _____ 30. Each individual is responsible for his/her own payments and for those of others who fail to make payments.
- _____ 31. Owners elect managers to supervise the property.
- _____ 32. Permission to remodel one's unit must be obtained.
- _____ 33. May be single or double wide.
- _____ 34. Very similar to a condominium and may also be called a condominium.
- _____ 35. Owners may remodel, refinance, or sell without the approval of a board.
- _____ 36. May lose value quickly unless well maintained and located in good quality neighborhoods.

Part Four: Short Answer

Directions: Write your answer to each of the following questions.

37. List three additional costs you must account for besides your house payment when computing your total housing costs.
- a. _____
 - b. _____
 - c. _____

38. If you had enough money to rent or buy, state which option you would prefer and give two reasons for your preference.

Preference: _____

a. _____

b. _____

39. Bill and Louise are planning to rent an apartment. Besides the amount of the apartment rent, list 2 additional questions they should ask when considering apartments.

a. _____

b. _____

40. Before you make a deposit to cover damages you may make to rental property, what step should you take?

41. If one real estate agent indicates that she/he will sell your home for \$40,000 while another agent indicates that he/she will sell your home for \$39,500, what does the difference in these two prices tell you?

42. If you feel that you are discriminated against when you try to purchase a home, list two steps you should take to deal with this situation.

a. _____

b. _____

43. List four points that should be included in a contract for the sale of real estate

- a. _____
- b. _____
- c. _____
- d. _____

44. Jeff and Jillian are considering the purchase of a home. Besides the cost of the home, list four additional questions they should ask when considering purchase.

- a. _____
- b. _____
- c. _____
- d. _____

45. State two things a home owner can do to assure that his/her home appreciates in value.

- a. _____
- b. _____

46. State two things that are done to sell a house.

- a. _____
- b. _____

47. What is an alternative to selling a home that does not have the desired living accommodations?

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

- 48. Match housing terms to the definitions (Assignment Sheet 1).
- 49. Name factors influencing housing choices (Assignment Sheet 2).
- 50. Determine the cost of renting housing (Assignment Sheet 3).
- 51. Determine the cost of owning housing (Assignment Sheet 4).
- 52. Distinguish between the advantages of buying or renting housing (Assignment Sheet 5).

53. Analyze and select housing (Assignment Sheet 6).
54. Assess budget and income factors in selecting housing (Assignment Sheet 7).
55. Sequence steps in purchasing a home (Assignment Sheet 8).
56. Describe legal points of buying a home (Assignment Sheet 9).
57. Analyze a contract for sale of real estate (Assignment Sheet 10).
58. Select a home to purchase (Job Sheet 1).
59. Research the choice of home to purchase (Job Sheet 2).

MEETING HOUSING NEEDS

UNIT V

ANSWERS TO TEST

Part One

- | | |
|------|-------|
| 1. j | 7. i |
| 2. l | 8. b |
| 3. g | 9. h |
| 4. f | 10. a |
| 5. c | 11. d |
| 6. e | 12. k |

Part Two

- | | |
|-------|-------|
| 13. b | 20. c |
| 14. d | 21. a |
| 15. a | 22. b |
| 16. e | 23. c |
| 17. b | 24. e |
| 18. c | 25. c |
| 19. b | |

Part Three

- | | |
|-------|-------|
| 26. b | 32. d |
| 27. c | 33. b |
| 28. d | 34. c |
| 29. a | 35. a |
| 30. d | 36. b |
| 31. a | |

Part Four

37. Any three of the following in any order:
utility bills, electricity, water, heating, insurance costs,
moving costs, remodeling costs, appraisal, inspection fees,
(other) assessments
38. For renting, any two of the following:
renters do not have the same liability as owners, renters
can easily leave their dwelling, personal savings needs not
be allocated to home ownership, renters need not be
concerned with the setup of the dwelling, renters can figure
more exacting housing costs than owners who are responsible
for repairs at any time, renters need not be concerned about
whether the property is losing value, renters need not be
concerned improving the property or its maintenance, renters
can move more easily than can homeowners if the family
outgrows the size of their dwelling, larger outlays for
appliances can be avoided by renting dwellings that provide
these appliances, frequently rental property provides
attractive recreational facilities which are not available
to homeowners

For buying, any two of the following:
home owners receive tax benefits, home ownership tends to be a hedge against inflation as homes typically increase in value over time, home owners are free to make any changes in their dwellings at any time, home ownership forces the owner to save to make the monthly payments, home ownership provides individuals with a feeling of pride in ownership and a sense of security

39. Any two of the following in any order:
Amounts and conditions of deposits
Monthly rent due date
Can rent be raised and under what conditions
Who pays for repairs, insurance, utilities and paint
Renewal procedures; opportunity for extension
What comes with the rental property (drapes, appliances, etc.)
Be sure that the required repairs and available facilities (such as laundry, recreational) are listed in the rental agreement.
40. List all damages to property prior to moving into it.
(May also answer to take a photograph.)
41. The lower price indicates that the agent is willing to take a lower price on his/her commission.
42. Any two of the following:
Record the time, place and date when the incident occurred.
Record the names of the real estate agency, dealer and other persons who were involved.
Record methods of discrimination encountered.
Record the names and addresses of any witnesses.
Contact the United States Department of Housing and Urban Development.
Contact the local civil rights agency.
43. Any four of the following in any order:
names and addresses of buyer and seller, amount of earnest money, who holds the money until the sale is closed, a property description, the cost of the home, the closing date/time, provisions for extending the closing date, location of the closing, special adjustments, how the deposit (earnest money) will be handled if the contract fails to go through, real estate agent/broker fees, conditions for inspecting the home before closing the contract, furnishings and fixtures that go with the home sale, repairs to be made by seller prior to closing, property easements, special assessments of the property are not charged to new owners, other special services

44. Any four of the following in any order:
What schools are located nearby and how good are they?
How old is the home?
Is the home the right size for us?
Is the house organized well?
Can we afford the monthly payments for the house?
Do we want to live in this neighborhood; how will the neighborhood affect the resale value of the house?
How does the home site affect the efficiency and value of the home?
Is the home in good condition?
What legal factors will influence the purchase of this home?
45. Any two of the following in any order:
Make sure home is well kept
Modernize home
Add new appliances
Remodel
Landscape attractively
46. Any two of the following in any order:
Advertise the home
Show the home
Carry out sale details
Get title insurance
Survey property boundaries
Pay closing costs
Pay real estate agents commission
Move to a new home
47. Remodel
- 48-57. See Answers to Assignment Sheets
- 58-59. Evaluated to the satisfaction of the teacher in accordance with evaluation criteria provided on the Job Sheet.

FURNISHING AND MAINTAINING A HOME

UNIT VI

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to select household furnishings, select family and household large and small equipment, and arrange for household services. Competencies will be demonstrated by correctly performing the procedures outlined in Assignment and Job Sheets and by achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, MATCH TERMS RELATED TO FURNISHING AND MAINTAINING A HOME TO CORRECT DEFINITIONS by attaining 100 percent accuracy on the Unit Test.
2. Based on the content outline and Handout 2, DESCRIBE HOME DECORATING TECHNIQUES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1 or 2.
3. Based on the content outline, Transparency Masters 1, 2, 3, and Handouts 1, 2, and 3, SELECT HOUSEHOLD ACCESSORIES AND FURNISHINGS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1, 2, or Job Sheet 1.
4. Based on the content outline, Transparency Masters 4, 5, and Handout 1, SELECT HOUSEHOLD APPLIANCES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3, Job Sheet 2, or 3.
5. Based on the content outline and Handout 1, SELECT ENTERTAINMENT EQUIPMENT by attaining 100 percent accuracy on the Unit Test.
6. Based on the content outline and Handout 1, SELECT LAWN EQUIPMENT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 4 or Job Sheet 4.
7. Based on the content outline and Handout 4, SELECT RECREATIONAL EQUIPMENT by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 5.
8. Based on the content outline and Handout 5, DESCRIBE GUIDELINES FOR ARRANGING FOR HOUSEHOLD SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6.

9. Based on the content outline and Handout 5, DESCRIBE ARRANGEMENTS FOR REPAIR OF APPLIANCES AND UTILITIES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6.
10. Based on the content outline and Handout 5, DESCRIBE ARRANGEMENTS FOR HOUSECLEANING SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6.
11. Based on the content outline and Handout 5, DESCRIBE ARRANGEMENTS FOR PEST CONTROL SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6.
12. Based on the content outline and Handout 5, DESCRIBE ARRANGEMENTS FOR INTERIOR AND EXTERIOR HOME IMPROVEMENTS by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6.
13. Based on the content outline of Unit I (section VI), Transparency Master 6, Unit I, and Handout 5, Unit VI, DESCRIBE REQUIREMENTS OF A CONTRACT FOR HOME IMPROVEMENT by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6, Unit VI, or Assignment Sheet 6 or 8, Unit I.
14. Based on the content outline and Handout 5, DESCRIBE ARRANGEMENTS FOR YARD AND LAWN UPKEEP by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 6.

FURNISHING AND MAINTAINING A HOME

UNIT VI

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.

- H. Integrate the following activities throughout the teaching of this unit:

- 1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

- I. Give test.
- J. Evaluate test.
- K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Information Sheet

C. Transparency Masters

1. TM 1--Construction Features of Quality Furnishings
2. TM 2--Lighting Dimensions
3. TM 3--Window Coverings
4. TM 4--Energy Efficiency Rating
5. TM 5--What the Energy Guide Label Tells You

D. Handouts

1. Handout 1--Guidelines for Buying Home Furnishings
2. Handout 2--Successful Color Use
3. Handout 3--Quality Construction Features for Seating
4. Handout 4--Reducing Recreation Costs
5. Handout 5--Points to Consider When Selecting Household Services

E. Assignment Sheets

1. Assignment Sheet 1--Match Terms to Color Pointers
2. Assignment Sheet 2--Make Home Decorating Decisions
3. Assignment Sheet 3--Solve Appliance Math Problems
4. Assignment Sheet 4--Complete Lawn Care Puzzle

F. Answers to Assignment Sheets

G. Job Sheets

1. Job Sheet 1--Select Household Accessories and Furnishings
2. Job Sheet 2--Calculate Cooling Capacity Needs
3. Job Sheet 3--Evaluate Available Appliances
4. Job Sheet 4--Evaluate Power Tools for Lawn and Garden
5. Job Sheet 5--Analyze Recreational Costs
6. Job Sheet 6--Investigate Household Services

H. Unit Test

I. Answers to Test

REFERENCES USED IN DEVELOPING THIS UNIT

- A. American Council on Consumer Interests. Newsletter. Columbia, Missouri: American Council on Consumer Interests 33.1 (January 1985).
- B. American Council on Consumer Interests. Newsletter. 33.2 (February 1985).
- C. American Council on Consumer Interests. Newsletter. 33.3 (March 1985).

- D. American Council on Consumer Interests. Newsletter. 33.4 (April 1985).
- E. American Council on Consumer Interests. Newsletter. 33.5 (May 1985).
- F. American Council on Consumer Interests. Newsletter. 33.6 (September 1985).
- G. American Council on Consumer Interests. Newsletter. 33.7 (October 1985).
- H. Wilson, Jose, and Arthur Leaman. The Dollar Saving Decorating Book. New York: Doubleday & Company, Inc., 1977.

HELPFUL RESOURCES FOR TEACHERS

- A. Consumer Economics (Secondary): Reading Strategies, John E. Clon, Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016, 1985.
- B. Consumer Education Resource Materials Kit, Stewart M. Lee, Grenenn College, Beaver Falls, PA 15010, 1985.
- C. Educator's Guide to Free Home Economics Materials, Patricia Horkheimer, Educators Progress Service, Inc., 214 Center Street, Randolph, WI 53956, 1984.
- D. FDA Information for Consumers (FDA-84-1108, free) Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857.
- F. The MACAP Process: Resolving Your Appliance Complaint, (49 slides with script), Major Appliance Consumer Action Panel, 20 North Wacker Drive, Chicago, IL 60606, 1985.
- G. The Most Energy Efficient Appliances, American Council for an Energy-Efficient Economy, 1001 Connecticut Ave., N.W., Suite 530, Washington, D.C. 20036, 1984.
- H. Product Safety: Measures to Protect Children, OECD Publications and Information Center, 1750 Pennsylvania Avenue, N.W., Washington, D.C. 20060.

- I. Reading Strategies for Improving Comprehension in Consumer and Economic Content Areas, Martha E. Imin and Ruby Meis, Michigan Consumer Education Center, 207 Rackhom Blvd., Eastern Michigan Univeristy, Ypsilanti, MI 48197, 1984.
- J. Teaching Strategies for Consumer Economics, Robert Ristau, H. Michael Hartoonian, Peter R. Sears and Ruth G. Thomas, Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016, 1985.

Furnishing and Maintaining a Home Unit VI

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1					1-11	
*	2		HO 2	AS 1, 2		12 - 14	
F.1.	3	TM 1, 2, 3	HO 1, 2, 3	AS 3, 4	JS 1	13, 15, 16, 27-29, 41	MIXB3; MIXH1; SSXM3
F.2.	4	TM 4, 5	HO 1	AS 3	JS 2	17, 42	MIXB3; SIXD1; SXC4; SSXM3
F.3.	4	TM 4, 5	HO 1	AS 3	JS 2	17, 42	MIXB3; SIXB1; SXC4; SSXM3
F.4.	4	TM 4, 5	HO 1	AS 3	JS 2, 3	17, 42, 41	MIXB3; SIXB1; SXC4; SSXM3
F.5.	5		HO 1			19, 45	MIXB3
F.6.	6		HO 1	AS 4	JS 4	20, 46	MIXB3, SSXM3
F.7.**	7		HO 4		JS 5	21, 47, 48	MIXB3; SSXM3
F.8.	8		HO 5		JS 6	26, 49	
F.9.	9		HO 5		JS 6	22, 49	
F.10.	10		HO 5		JS 6	23, 24, 26, 49	
F.11.	11		HO 5		JS 6	25, 26, 49, 50	
F.12.	12		HO 5		JS 6	26, 49	
F.13.***	13		HO 5		JS 6	30-40	
F.14.	14		HO 5		JS 6	26, 49	

* Prerequisite Knowledge

**See also Unit III

***See also Unit I

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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FURNISHING AND MAINTAINING A HOME

UNIT VI

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1]

- A. British thermal unit (Btu)--a unit of heat equal to about 252 calories; the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit.
- B. Central Processing Unit (CPU)--the portion of a computer where instructions are received, decoded, and carried out, and the overall operations of the computer are controlled.
- C. Color spectrum--the range of colors on a color wheel.
- D. Deck--a recorder/player without amplifier equipment (speakers).
- E. Durable goods--goods which may be used for a relatively long time, such as large and small appliances, automobiles.
- F. Floppy disk--a flexible disk, usually 5 1/4 or 8 inches in diameter, coated with a material that can be magnetized to store bits (units of information) for use in micro and minicomputers.
- G. Fluorescent lighting--a cold, luminescent light produced by the radiant energy of ultraviolet rays acting on a fluorescent substance coated inside a glass tube.
- H. Computer hardware--the physical equipment and components of a computer.
- I. Incandescent lighting--a hot white light produced by a fine metal wire contained in a vacuum and heated to white-hot brilliance (incandescence) by an electric current.
- J. Lumen--a unit of measure of the flow of light (from an object).
- K. Microprocessor--a chip that contains the central processing unit of a microcomputer.

- L. Operating system--a collection of programs that control the overall operations of a computer system. The operating system is the interface between the user and the computer.
- M. Output--the information, or data, which has been processed by the computer and the printing or storing of this data.
- N. Player--equipment used to play back sounds recorded on tape.
- O. Printer--a machine that converts electronic signals from the computer to hard copy (paper) form that can be read by humans.
- P. Recorder--a machine that registers sounds or visual images in a permanent form (magnetic tape) so that they may be saved and played back.
- Q. Software--programs that control the operation of the computer so the user may carry out activities.

II. Describe home decorating techniques.

[Objective 2; HO 2; AS 1, 2]

- A. Identify functions that will be performed in the spaces available to you.
- B. Be sure to consider traffic patterns when planning interior spaces.

(NOTE: Seating should be arranged so one does not have to walk in front of or across seating areas.)
- C. Make effective use of color.
 - 1. Color is an integral part of all design.
 - 2. Color is your least expensive design tool.
 - 3. Remembering certain points can help you be more effective with color.
 - a. Warm colors (brown, orange, red) tend to make spaces appear smaller.
 - b. Cool colors (green, yellow, blue) tend to make spaces seem larger.
 - c. Intense hues of either warm or cool colors create a confined feeling.
- D. Start your furniture collection with one or two well designed pieces.

1. Use thrift shop or family hand-me-downs for the length of time necessary to acquire sufficient resources to buy additional good quality pieces.
2. The same approach can also be used to acquire accessories.
3. Furnishings should be tough and durable and stand up to the wear and tear of ordinary every day living.

E. Sources of accessories and furnishings

1. Wholesale outlets are restricted by law to sell strictly to retailers (decorators, designers, architects). Therefore, wholesale prices are not typically available to consumers.
2. Department stores may have good buys in furnishings, but the consumer should shop around. (NOTE: Department stores frequently offer delivery and decorator services, making these stores excellent places to buy furnishings.)
3. Furniture stores may carry a wide selection and variety of products.
4. Specialty furniture stores in larger cities may carry furniture kits, unpainted furniture, shelving and storage units, or particular types of furnishings, for example, a store may carry only brass, chrome and glass tables or lighting fixtures.
5. Mail order houses are another source for furnishings.
6. Gift shops carry many well-designed products and accessories. Although these stores may appear to sell only higher priced items, check for sales.

III. Select household accessories and furnishings.

[Objective 3; TM 1, 2, 3; HO 1, 2, 3; AS 1, 2; JS 1]

A. Points to consider when selecting household accessories

1. When choosing an accessory, be sure that it meets a need.
2. Simple objects are usually less expensive and better designed.
3. When choosing accessories, ask these questions:
 - a. What is the object's purpose?
 - b. How does the object perform?
 - c. Can it be used effectively and efficiently (NOTE: Is it designed for the human hand or shaped to easily lift or move?)
 - d. Does it serve its purpose?
 - e. Will the materials it is made of withstand usage?

- f. Is it aesthetically pleasing?
- g. Is its size appropriate for the setting?
- 4. Accessories are not an essential part of a decorating scheme.
 - a. Personal belongings or collections are more meaningful than purchased decorative products.
 - b. The use of fewer accessories has greater impact than displaying many objects.

B. Points to consider when selecting household furnishings.

- 1. Furniture forms have changed little over the centuries
(NOTE: The basic human form has changed little over the centuries, so furniture has changed little.)
- 2. When selecting furniture, consider:
 - a. The material used
 - b. The detail/craftsmanship of the piece
 - c. The form, size, and appropriateness of material used in construction

C. Seating

- 1. Be sure to try out seating before buying to be sure it is comfortable.
(NOTE: Since no two people are alike, it is important to try out the fit of any seating you choose.)
- 2. For small areas you will want interchangeable seating or comfort seating.
(NOTE: Study chairs may substitute as kitchen chairs, or folding chairs can be used when extra seating is needed.)
- 3. A standard six - seven foot sofa is usually a good buy and will fit into most spaces more flexibly than eight-foot or longer models.

D. Storage

- 1. In today's mobile society, easily movable pieces are more practical than larger oversized storage units.
- 2. It may be preferable to invest in pieces which can be added to later, eventually making a matched storage wall.
- 3. Check depth of storage.
(NOTE: Standard depth is 18 to 20 inches. Less expensive models may shortchange on depth.)

4. Drawers on chests should be well fitted for easy movement.
5. Filing cabinets make good, inexpensive storage units when painted in attractive colors.
6. Be sure that surfaces of storage units resist water damage and the wear and tear of ordinary usage.
7. Choose simple, plain pieces rather than gaudily trimmed pieces.
(NOTE: Simple designs can be mixed and matched effectively over time as styles and tastes change.)
8. Shelving storage is essential in all living spaces.
 - a. A typical shelving system involves standards and brackets
 - 1) Standards are metal pieces with screw holes for attaching directly to the wall.
(NOTE: Standards should be placed no further than 24 inches apart for sturdy support.)
 - 2) Brackets are metal pieces which hook into standards at the back and project out from the wall to hold shelves.
 - 3) This type of shelving can be easily removed; the wall holes can be filled after removal.
 - b. Shelving units can be built to cover entire walls with adjustable shelves.
(NOTE: Most shelving should be no more than 36 inches long to prevent sagging.)
 - c. Some manufacturers make simple box cube storage units which can be stacked and arranged creatively.

E. Surfaces

1. Stacking tables versus large side tables create flexible, mobile surfaces.
2. Chests and trunks can serve as surfaces.
3. Select surfaces which stand up easily to use, such as plastic, oil finished wood, specially treated wood finishes (resist alcohol, cigarette burns and water).
4. You may want to select modular rather than varying types of surfaces.
(NOTE: Modular surfaces enable you to put several tables together, all of the same height, thus allowing you to mix and match or redecorate for a new look.)

F. Sleeping

1. Many households need extra beds for guests.
(NOTE: When extra beds are not in use, you may want to use them for seating purposes. Sofa beds which are multipurpose can often be used to provide the extra sleeping or seating needed.)
2. Folding cots are also useful and can be stored away when not in use.
(NOTE: Folding cots come in single bed sizes only so they may not be as flexible as a sleeper sofa which comes in sizes ranging from single to king size.)
3. Murphy beds may be another possibility.
 - a. They attach to walls or inside special closets with a hinge mechanism.
 - b. They fold into the closet or against the wall so are out of the way during the day.
4. Trundle beds are another sleeping option.
 - a. They include a bed which slides under the main bed for storage.
 - b. The lower bed is pulled out from under the upper bed and, if of good quality, is the exact size of the upper bed.
 - c. Trundle beds can sometimes be converted to bunk beds.
5. A bed with storage drawers may be an asset if storage space is limited.
(NOTE: Frequently these drawers are heavy and difficult to use.)

G. Lighting

1. When choosing lighting, consider its purpose, decorative features, and how it contributes to eye health.
2. Types of lighting
 - a. Most typical lighting is incandescent lighting, which produces more heat than light.
 - b. Fluorescent lighting is efficient and used in areas where specialized tasks are performed, such as at the sink, desk, or range.
(NOTE: Fluorescent lighting tends to distort colors because it creates an uneven color spectrum. Today "warm" fluorescent lamps are available which give off a more natural light than the traditional bluish type.)
 - c. You can combine both types of lighting in areas and the effect is easier on the eyes.
3. Lighting can be direct or indirect.

- a. Direct lighting shines on a specific object such as papers you are working on at your desk.
- b. Indirect lighting is reflected from the ceiling onto walls and the surfaces below.
- c. In dark areas, combine both types of lighting to reduce glare.
(NOTE: A simple light creates more glare in dark areas than a combination of both types of light.)
- 4. Lighting also is reflected by surfaces in a room.
 - a. Dark or textured surfaces absorb more light than light-colored, smooth surfaces.
 - b. Fixtures placed in a dark colored room will not work as efficiently.
 - c. Covers on lights need to be cleaned periodically
 - d. Lamps lose efficiency as they wear out.
- 5. Most home lighting is portable, in the form of lamps, or ceiling or wall-mounted fixtures.
- 6. When purchasing a lamp, consider the following:
 - a. The bulb should not be visible when you are standing, sitting, or lying down.
 - b. Hanging light fixtures should be 58" to 63" from the floor; wall lights should hang down 3 feet from the ceiling.
 - c. Purchase globe fixtures larger than the wattage of the bulb requires in order to have softer, more efficient light.
 - d. Buy lamps which have heavily weighted bases so the lamp will not tip easily.
 - e. Be sure cords are long enough to reach where you want them to.
 - f. Measure your lamps before purchase.
 - 1) The bottom of a desk lamp should be 15 inches above a desk.
(NOTE: Lamps should be at least a foot away from the individual at the desk and should provide for even distribution of light.)
 - 2) From the bottom of the shade to the floor, the distance should be no less than 38 inches, no more than 42 inches.
 - 3) A bedside lamp should be about 20 inches higher than the bed.
(NOTE: A taller lamp may cast a glare. A bedside lamp should be about 22 inches from your head and 16 inches behind it for reading.)
 - 4) For floor lamps, the measurement from floor to shade bottom is approximately 47 to 49 inches. Place 10 inches behind chair for good reading.

H. Windows and window treatments

1. Window treatments are selected to control privacy and light.
2. Window shades
 - a. White or light colored shades are appropriate for most settings.
 - b. Shades can be coordinated with fabric or wallpaper.
3. Blinds
 - a. Effective for light and privacy control
 - b. May be vertical or horizontal blinds
 - c. Window shutters may also be used as blinds.
4. Elaborate, expensive fabrics are not necessary for windows.
 - a. Casement fabric, which is similar to fishnet, is the most reasonably priced fabric for windows.
 - b. An open weave permits some degree of privacy and yet allows for light and air movement.
5. Plants can also be used in a window treatment if sufficient light is available for them.
(NOTE: Collections of colorful glass on shelves also make an attractive window treatment.)

I. Flooring and carpeting

1. Wood flooring is a suitable background for most furnishings and accessories and is available for most existing living spaces.
 - a. Wood flooring may require refinishing which most people can do, although it is a time consuming process.
 - b. Wood flooring can be finished with a polyurethane finish that is strong and resistant to abrasions and stains.
(NOTE: These finishes may be dull or glossy.)
 - c. Wood floors are easier to maintain than carpeting in eating areas and in children's rooms.
2. Area rugs are less expensive than carpeting, can be moved about, rotated for wear, and last longer than carpeting.
3. Wall-to-wall carpet unifies spaces, cleans up with vacuuming and gives a feeling of luxury.
 - a. About 1/3 of carpet cost is for padding and installation, so be sure that each is of good quality.
 - b. With normal wear, good carpeting should last about 8 years.
 - c. Wool is the most expensive and luxurious carpeting.

- d. Traffic areas should be carpeted with low density pile textures which retain their resilience and do not become matted.
- e. Fiber mats made from grasses or leaves can be an effective, short-term floor covering.
- f. Since flooring and floor covering can be expensive, strive to work existing materials into your decorative scheme, perhaps using area rugs or paints

J. Wall coverings

- 1. Since walls are a material, they need not be covered up.
- 2. More interesting and flexible use of space can be accommodated if paper is used on one or two walls only or just on the ceiling.
- 3. There are many types of wall coverings, such as grass cloth, silk, felt, fabrics or fibers.
- 4. Textured wall coverings are sound-absorbent, effectively cover cracks or bumps and produce a textural backdrop for other furnishings.
- 5. Wall coverings change with fashions, so do not invest large amounts of money in coverings which may go out of style rapidly.
- 6. Good quality weight papers are washable and last for many years.
- 7. Contact paper is not suitable as a wall covering because it is not durable and when applied to large areas bubbles may form on the surface.
(NOTE: Contact paper should not be applied to dry-wall because the protective surface of the dry wall is damaged when the contact paper is removed.)
- 8. Cork tiles or sheet material can be inexpensive, applied to large surfaces and wear as well as regular wall paper.
- 9. Wall paneling comes in many styles and materials.
- 10. Painting may be the easiest and most effective wall treatment, if surfaces are in good condition.

K. Paint finishes

- 1. White is an excellent background color for most interiors.
- 2. Attempting to match paint to finishing and floor coverings often results in unmatched color since light reflection differs with material.
- 3. White ceilings give the best light reflection.
- 4. Before painting, remove wallpaper by peeling or steaming it from the walls.
(NOTE: If you paint over existing wall paper, be sure it is securely tacked down.)
- 5. Flat paints are preferred for interior finishes.

6. In baths and kitchens, gloss or semi-gloss enamels provide an easily cleaned surface.
7. Woodwork and furniture finishes
 - a. An oil finish is probably the best and least expensive enamel finish.
(NOTE: Such a finish brings out the wood grain and is easy to maintain but tends to darken over time. Gel finishes are reapplied periodically to provide a protective film.)
 - b. Inexpensive and soft woods may require painting to preserve the wood.
(NOTE: Paint is more difficult to remove than other types of finishes and is subject to chipping.)

L. Fabrics

1. The quality of fabrics affects maintenance and appearance of furniture pieces.
 - a. Silk is expensive (insect fiber).
 - b. Cotton/linen (vegetable fibers) are not sturdy enough for long term use.
 - c. Wool (animal fiber) is expensive, durable, and attractive.
 - d. Glass fibers lack a pleasant appearance and touch.
 - e. Acetate requires greater care and maintenance than fiberglass.
 - f. Acrylic is close to wool in appearance and widely used in carpeting.
 - g. Modacrylics are treated to make them flameproof and easier to care for.
 - h. Nylon is long wearing and highly suitable for furnishings.
 - i. Polyester is used in curtains and bedspreads.
 - j. Rayon is used in interior textiles but usually is blended with polyester and synthetic fibers.
 - k. Lycra/spandex are easy to care for and nonflammable.
2. Read fabric labels and check to see that fabrics meet Bureau of Standards classifications for labeling fabrics.
3. Typical fabric weaves for furnishings are:
 - a. Plain (including basket weaves)
 - b. Pile weaves (cut and uncut)
 - c. Floating weaves (twill, satin)
4. For curtain materials, use open weaves.
5. Medium weight fabrics can be used for upholstery, curtains, bedspreads (burlap, hopsacking, sailcloth).
6. Heavy weight fabrics are used primarily for upholstering.

(NOTE: For greater durability, ask for "commercial" fabric.)

7. When choosing fabrics consider use, degree of pollution in your area, usage by children and adults, and color of fabrics.

IV. Select household appliances.

[Objective 4; TM 4, 5; HO 1; AS 3; JS 2, 3]

- A. We choose appliances to make our life easier, cleaner, and more economical.
- B. Appliances includes such items as dryers, washers, television sets, freezers, trash compactors, water heaters, refrigerators.
- C. To assess the value of an appliance, determine how much of the good you consume for the year. For example, to analyze a good's service plan (the amount of the good consumed in one year):
 1. A hair dryer costs fifty dollars
 2. We expect the hair dryer to last 12 years
 3. Divide 12 into fifty dollars
 4. $\$4.17$ = the amount of cost per year averaged over 12 years
 5. Compare the cost of using commercial services to dry your hair and you may be saving a significant amount by using your personal dryer.
- D. Appliance costs involve:
 1. Operating costs: the amount of energy needed to run the appliance.
(NOTE: Most major appliances now provide energy guides telling you how much it will cost to run an appliance.)
 2. Depreciation: the life of the appliance divided into the cost of the appliance--similar to operating costs.
 3. Interest: if money is borrowed at a set interest rate to pay for the appliance or if you withdraw money from your savings and forego a set interest, both are expenditures which need to be accounted for.
 4. Repairs: may include a service contract or be the costs of periodically servicing the equipment.
 5. Total costs: for example,
 - a. You purchase a range for \$700.
 - b. You borrow the money to pay for it at 9.9% = \$69.30.
 - c. Operating costs for the range for 1 year = \$60.00.
 - d. The life of the range is 12 years = \$58.34.

- e. Repairs = \$20.00
 TOTAL = Interest + operating costs +
 depreciation + repairs = \$207.64 (total
 annual cost)

E. Appliance benefits involve:

1. Convenience--imagine if you had to go to a local center to heat your food every day.
2. Lower food costs--you can quickly and easily prepare perishable food.
3. Fewer shopping trips--you can prepare large quantities of food at one time.
4. Other benefits: less food spoilage.
5. Total costs:
 Convenience = ?
 Lower food costs = \$100 saved per year
 Fewer shopping trips \$50
 Other
 Total $\$150 + ? + ? = ?$
 (NOTE: If we save up to five dollars in the combined areas in "?", then the benefits outweigh the cost of the products.)

V. Select major appliances.

A. Air conditioners

1. Cool and circulate air; regulate humidity.
 2. Available in a range of sizes.
 3. Cooling capacity must be tailored to the size of the area.
 - a. Based on British thermal Units (Btu) of heat the equipment removes from the air.
 - b. Determine by $W \times L \times H \times I = E/60 = \text{Btu capacity needed to cool area for one hour.}$
 - 1) W = room width in feet
 - 2) L = length of room in feet
 - 3) H = room height in feet
 - 4) I = insulation feet (multiply x 10 if a well ventilated attic is above the area to be cooled) (if no attic or a large window are in the room, multiply by 18.)
 - 5) E = exposure factor (if the largest room dimension faces west, multiply by 20, north by 16, south by 18 and east by 17.)
- (NOTE: This equation is suitable for a small area. For larger areas use a Cooling Load Estimate Form available from the Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Illinois, or contact a reliable dealer for assistance.

c. Example:

- 1) Room width = 10 ft.
- 2) Room length = 12 ft.
- 3) Room height = 7 ft.
- 4) Insulation factor = 10
- 5) Exposure factor = 18
- 6) $10 \times 12 \times 7 \times 10 = 8400 \times 18 = 151,200$
- 7) $151,200 \div 60 = 2520 \text{ Btu/hr.}$

4. Energy efficiency rating (EER) relates to the cost to run the unit

- a. EER ranges up to 11.6
- b. The higher the number, the more efficient the unit.
- c. To compute EER, divide Btu/hr by the wattage (power) required for operation

$$\frac{\text{Btu/hr}}{w} = \text{EER} \quad \begin{array}{l} \text{/h = per hour} \\ w = \text{wattage} \end{array}$$

(NOTE: This information is found on the product nameplate.)

5. Air conditioners may be window models or whole house models

a. Window models:

- 1) Require a separate outlet which is not used by other appliances.
- 2) Should be installed in a shaded window and away from pollen and dust.
- 3) Weather-strip doors in the area of use to keep in cool air.
- 4) Close the fireplace damper.
- 5) Seal any other openings.
- 6) Keep shades or blinds drawn during day.
- 7) Do not block back of unit.

b. Central air models:

- 1) May involve a split or single package unit

(NOTE: A split system places the evaporation unit and power inside the house while the condensing unit is placed outside. Single package units have all elements together with an air-exhaust conversion to the out-of-doors.)

- 2) May be installed in basements, attics, and closets.
- 3) May include air cleaner, humidifier and even odor control devices.
- 4) Most economical to install when home is under construction.
- 5) If added to existing home, may require additional registers, ducts, electrical work and insulation.
- 6) Use reputable contractors for installation.

(NOTE: May wish to check with others who have used a contractor's services or with the Better Business Bureau. If using contractors, check descriptions of system, compare costs, warranties and be sure they include a checkup visit after installation to see that system works (this service should be free.)

c. Operation:

- 1) Keep heat out of house during operation.
- 2) Maintain a specific thermostat setting such as 78 or above for unit efficiency.
- 3) Keep shrubbery or grass away from unit.
- 4) Reduce heat (food preparation) or humidity (bathing) producing activities during hottest parts of the day.

B. Furnaces

1. Types of systems

a. Hot water system

- 1) Use a boiler which pumps water through radiators.
- 2) A steam heat system is more powerful and forces heat under pressure from boiler to radiators.

b. Hot-air gravity system - heats cold air which rises through registers to be distributed to rooms.

c. Floor furnace

- 1) Furnace is below the floor and hot air rises through a large grill in the floor.
- 2) System is less expensive because no ducts are used.
- 3) The grill may get very hot, thus posing a hazard to children.

2. Be sure to have your heating system cleaned, inspected, and adjusted annually.

3. If accepting bids to replace the furnace, be sure you follow the guidelines suggested under contracts and warranties.

4. Beware of door-to-door inspectors who ask to check your heating system.

(NOTE: Reputable contractors do not solicit door-to-door business.)

C. Ranges

1. Both gas and electric ranges operate with equal efficiency. Select the type most economical for your area.

a. With electric ranges you will need:

- 1) 220/240 volt circuit
- 2) Flat cooking utensils which make direct contact with burner surface.
- b. With gas ranges, you will need:
 - 1) A gas line for connection. Some ranges also require a 120 volt electric circuit for ignition of the gas flame.
 - 2) A gas range may operate on bottled gas, liquid petroleum or natural gas.
2. Installation
 - a. Check to be sure that the dealer you purchase from provides installation.
 - b. Choose a reputable dealer, because family health and safety depend upon accurate installation.
 - c. Any range needs to be leveled to assure that baked products rise evenly and juices do not spatter and drip out of pans.
 - d. You may want to choose a used range or last years model to save money.
3. Ranges may be built in, stacked on top of one another, or free-standing and drop-in models.
(NOTE: Built in ranges cannot be removed if you move, as they are considered a part of the structure. Stack-on ranges usually fit on a counter top and may appear to be built in.)
4. Ranges may include 4 or more burners, 2 ovens, clean themselves, and turn themselves on and off using a timing mechanism. They may also include thermostatically controlled ovens, grills, and meat probes.

D. Convection ovens

1. These ovens employ a fan to circulate the air to cook food more quickly and reduce shrinkage.
2. Food is cooked at a lower temperature than with a conventional oven.
3. The oven should be well insulated to prevent burns.

E. Microwave ovens

1. These ovens must meet strict government standards concerning wattage.
2. They come in a variety of makes and models.
3. Before purchasing check:
 - a. For the features which are desirable as well as unnecessary
 - b. The durability of the model
 - c. Ease of operation
 - d. Warranty coverage
4. The Bureau of Radiological Health requires that for units manufactured after 1975 a warning label

be attached which includes cautions related to operating the oven if objects in the oven might prevent you from closing the door tightly, the door does not close tightly, or the hinge, latch or sealing surface is damaged.

(NOTE: This warning need not be placed on the oven if the manufacturer can prove to the Bureau that the oven contains none of these hazards, nor is subject to them.)

F. Refrigerators/freezers

1. Operation is the most costly element for these appliances.
(NOTE: About 58% of the appliance's operating cost goes for electricity.)
2. Look for the EER rating on these appliances.
3. Check these points when shopping for a refrigerator/freezer:
 - a. Know the size you need
(NOTE: About eight cubic feet of fresh food storage space is needed for two people. An additional cubic foot is needed for each additional family member.)
 - b. Know your kitchen layout so that you choose a model with doors opening in the appropriate directions.
 - c. Analyze defrost options. Choices include:
 - 1) No-frost combinations: defrosting occurs both in the freezer and refrigerator section.
 - 2) Combination frost-defrost: the fresh food section defrosts automatically, the freezer requires manual defrosting.
 - 3) Automatic defrosting: the freezer and refrigerator section defrost automatically.
 - 4) Semiautomatic defrost models: the owner starts the defrost cycle automatically, but the cycle stops on its own.
4. Freezers may or may not be money savers for a family.
 - a. The more you store in a freezer, the lower the cost of operation.
 - b. Use a thermometer to check freezer temperature.
(NOTE: An effective model is one which has a wire leading through the door to a sensor inside the freezer so freezer temperature can be checked without opening the door. Should the electricity go off, be sure to keep the door closed to keep in the cold air for as long as possible.)

- c. Beware of freezer plans which involve purchasing a freezer along with food to fill the freezer.
 - 1) In some cases the freezer may cost more because of the food.
 - 2) Before participating in such a plan, compare prices and check the firm's reliability.

G. Dishwashers

- 1. Dishwashers are available in a variety of models, some with energy saving features.
- 2. Cost of use will depend upon how much hot water is used.
 - a. Some dishwashers use less hot water than washing dishes by hand.
 - b. Cut costs by opening the door to allow dishes to air-dry after they have been washed or rinsed.
 - c. Reduce energy costs by only operating dishwasher with a full load.
- 3. When purchasing a dishwasher:
 - a. Choose your dealer wisely.
 - b. Check safety features of the appliance.
(NOTE: Be sure door is not easily opened when dishwasher is in operation.)
 - c. Check out options to be sure they are of value.
 - d. Be sure the machine has an acceptable warranty.
 - e. Read your owner's manual and follow directions for use carefully.

H. Automatic clothes washers

- 1. Size is an important consideration in the purchase of an automatic clothes washer.
 - a. Choose a washer appropriate for the individual or family needs.
 - b. Consider space available for the washer. Washers may be full size or compact, installed or portable. Some machines may be stacked with a clothes dryer for small spaces.
- 2. Consider the washing functions you require.
 - a. Some washers have only the basics, washing, rinsing, and spin drying.
 - b. Other machines have a full range of features.
 - 1) With some machines, you may choose water level to suit the wash load size.
 - 2) Some models retain wash water for reuse (fresh water is used for rinse).

- 3) Dispensers may be included for detergent, bleach, and fabric softeners.
3. For the wide variety of fabrics available today there are a variety of wash cycles, for example, regular, permanent press, and delicate. All cycles go through the same steps, fill, wash, rinse, and spin, but vary in the length of time, agitation speed, water temperature, and number of rinses.
4. Points to consider in purchasing an automatic washer:
 - a. Does it fit the space available?
 - b. Is the lint filter self-cleaning?
 - c. Is there a water level selector?
 - d. Is there a water temperature selector?
 - e. Is there a second rinse selector?
 - f. What cycles are available?
 - g. Are there dispensers for detergent, bleach, fabric softener?
 - h. Will the machine stop and signal if the wash load is out of balance?
 - i. Do the tub and lid have porcelain enamel?

I. Automatic clothes dryers

1. Clothes dryers may be bought at the same time as clothes washers. They are often available in matching sets or, to save space, in stacking models.
2. Dryers may be operated by gas or electricity. The consumer should compare operating costs and purchase prices before deciding which type to purchase.
3. The dryer purchased should be large enough to hold a full load from the washing machine.
4. Features of clothes dryers:
 - a. Basic models have one pre-set temperature and only drying time can be varied.
 - b. Some machines have both time and temperature settings, for example, high, medium, low, permanent press, air-only.
 - c. More expensive models can sense moisture and will turn off when clothes reach the selected dryness.
 - d. Another feature of more expensive models is to guard against wrinkles by tumbling the clothes without heat for a few seconds every five minutes, if the dryer is not unloaded when the drying cycle ends.
5. Points to consider when purchasing a clothes dryer:
 - a. Can temperatures be selected?
 - b. Is there a safety button to start the dryer?
 - c. Is the interior lighted?

- d. Is the lint trap easily accessible for cleaning?
- e. Is there a signal when the drying cycle is over?
- f. Is there an automatic sensor to prevent over drying?
- g. Is there a wrinkle-guard feature?
- h. Is there an air-only cycle?
- i. Is there a touch-up cycle for dry clothes?
- j. If a gas dryer, is there an automatic pilot light or electronic ignition?

J. Water softening equipment

- 1. Remove minerals from the water.
(NOTE: Some softeners remove taste and odor producing elements such as chlorine.)
- 2. Choice of a water softener is based on the amount of water used by your family.
 - a. To estimate water usage, check your water meter for a week to determine the cubic feet used.
 - b. Multiply the number of cubic feet used by 1.1 to determine average daily consumption.
 - c. If you have an unmetered water supply, base your estimate on 50 gallons of water used each day per family member.
 - d. Estimate the grains per gallon (gpg) the water softener must remove daily by multiplying the gpg by the total number of gallons used per day.
(NOTE: Check with your local extension service or water company to gpg rating of water in your area.)
 - e. Add half that amount to the total computed in to account for extra wash loads and guests.
- 3. Be sure to get more than one cost estimate from reputable dealers and purchase the size conditioner based on your computation in 2.
- 4. Selection guidelines
 - a. Check on the available services that accompany your unit.
 - b. Check the location and connections needed for the unit you select. Are they appropriate for your living situation?
 - c. Check installation charges.
 - d. Review warranty provisions.
 - e. If renting, secure an agreement allowing you the option to buy.
 - f. Check costs of use and maintenance of the unit.
 - g. Know procedures for recharging your system.

VI. Select small appliances.

A. When purchasing small appliances, there are several factors to consider:

1. Available space for storage
2. Amount of use made of the appliance
3. Ease of cleaning
4. Seals of approval indicating product meets safety standards
5. Rating of various models of the appliance in consumer service publications
6. Warranty coverage
7. The appliance's EER rating
(NOTE: Most small appliances use very small amounts of energy.)
8. Used or reconditioned small appliances may not be worth their value.
(NOTE: Use points 1 through 8 above when evaluating the worth of such appliances.)

B. Fire protection systems

1. To determine fire protection needs for your home, contact your local fire department or the National Fire Protection Association, 470 Atlantic Avenue, Boston, Massachusetts, 02210.
2. Types of fire detectors
 - a. Smoke detectors
 - 1) Ionization type: when smoke enters the device, it blocks electric current and activates the alarm.
(NOTE: This type uses little household current, so it can be powered on batteries and it is easily installed. Batteries must be replaced periodically. This type is less effective in detecting smoldering fires.)
 - 2) Photoelectric detector: uses a light beam which burns off smoke particles which are picked up by a photocell.
(NOTE: This type requires electrical connection, increasing the cost of installation in some cases.)
 - b. Heat detectors warn of high temperatures in the house.
3. Consumers may prefer to install both types of smoke detectors, since they have differing degrees of sensitivity to fires.
4. Install alarms in or near bedrooms, furnace rooms, and on each level of the home.
5. Install heat detectors in kitchens, attics, furnace rooms, basements, and utility rooms.
6. Fire extinguishers

- a. Should be a part of every household
- b. There are four types:
 - 1) A: used for some fabrics, wood and paper
 - 2) B: good with grease or paint fires
 - 3) C: works on electrical equipment fires
 - 4) D: good for metal fires
- c. Extinguishers may be designed for use with several different products.
(NOTE: An ABC combination extinguisher is best for most homes.)
- d. Be sure the extinguisher has a Factory Material or an Underwriters Laboratory label to assure performance.
- e. Read the instructions for use and show all family members how to use the extinguisher.

C. Sewing machines

- 1. A sewing machine should be purchased only if it will be used significantly.
- 2. Rent various models before deciding which to purchase.
(NOTE: You may decide clothing construction is simply not for you and will not then waste money needlessly.)
- 3. Choose a reputable dealer and read warranties carefully.
- 4. Choose a machine that provides you with the options you need.
(NOTE: Do not purchase a machine with greater capability than will be used.)
- 5. Follow manufacturer's care and use instructions carefully.
- 6. Be sure you can secure the necessary replacement parts in your area, such as bobbins, needles, lightbulbs.
- 7. A long-term service contract may not be necessary, as reliable machines usually require little service.

D. Vacuum cleaners

- 1. Types include:
 - a. Canister/tank type: works with suction and works well in uncarpeted areas.
 - b. Upright models: contains a rotating beater bar and brush which agitates carpet surface to remove dirt or dust from carpet pile. Lint is contained in a disposable dust bag.
 - c. Combination vacuum: An agitator head is added to the suction head of a canister type vacuum.

- d. Many new models of portable cleaners are coming on the market continuously. Most are primarily suction type cleaners but a few are now adding small beater bars and brushers.

(NOTE: Those who purchase a canister type vacuum, may also want a combination or upright model for carpet cleaning.)

2. Choosing a vacuum

- a. Choose a model for the type of cleaning to be done.
- b. Be sure to consider available storage space.
- c. Make sure the dust bag size is large enough.
- d. Try to rent the cleaner to determine if it works well for your needs.
(NOTE: Some models are self-propelled, requiring less personal effort for use.)
- e. Remember to check the warranty, read use and care booklet, and choose a reputable dealer who can provide service and replacement parts.)

E. Calculators

- 1. Small calculators can be a helpful consumer tool.
- 2. A calculator which adds, subtracts, multiplies, divides and handles up to eight digit numbers meets the needs of most consumers.
- 3. Helpful features include:
 - a. A constant key: permits multiplication or division of a number series without continued reentry
 - b. Floating decimal: allows the user to carry out a calculation to two or more decimal places
(NOTE: Some models have fixed decimals enabling the user to round off numbers. Both features are useful.)
 - c. A clear key: removes the last entry made without erasing the total series of numbers entered
 - d. Percent key: computes percentages
 - e. Memory key: permits storage and return of a number or calculation
 - f. Chain calculation: carries out a series of operations such as dividing, subtracting, multiplying and adding without having to clear the calculator each time to complete a different function.
- 4. Purchasing hints
 - a. Be sure the calculator is easy to use (easy to read display, key size fits fingers).
 - b. Adequate display size (8 number or more)
 - c. Cost of operation

(NOTE: Battery models need constant replacement, thus increasing costs.)

- d. Warranty/repair: if you must return the calculator to the factory for service, who pays the postage and who returns the item (you or the dealer).

F. Computers

1. Computers come in various models with a variety of capabilities.
2. Familiarize yourself with computer terms prior to purchasing a computer.
3. Points to look for
 - a. Analyze the quality of the display screen.
 - b. Check keyboard convenience/quality.
 - c. The amount of information the unit can handle
 - d. Amount of available software in areas of interest to you
 - e. Amount of disk space available for use and information storage
4. Choose a printer that will work with your computer.

(NOTE: Some software packages have certain printer requirements. The printer and software you plan to use must be compatible.)

- a. The dot matrix printer (set up in dots) is often the least expensive printer. The print is usually not of letter quality; however, some dot matrix printers have a "correspondence quality" mode. Dot matrix printers can print graphics as well as text.
- b. Printer speed should match the volume of data you have.

(NOTE: A large volume of data requires a faster printer.)

- c. Letter quality printers, such as daisywheel, produce a more attractive type face suitable for correspondence. These printers usually cannot produce graphics, although some can print charts and tables.
- d. Line printers print a full line of printing at once and are very fast.

(NOTE: The print style is of better quality than the dot matrix print, but line printers wear out more quickly than other printers.)

- e. Non-impact printers include ink-jet and laser printers. These printers may be too expensive for home use. They print rapidly by spraying ink on the page in character form, can produce excellent graphics, and are quiet in operation.

5. You may want to acquire a surge protector which helps to regulate an even flow of power to the computer.
(NOTE: A sudden loss of power may result in lost data.)
6. Personal computers can be purchased in specialty as well as department stores.
 - a. Purchasing from a reliable dealer is important since some businesses do not remain in operation long.
 - b. Service should be readily available. If you must send in the computer to a dealer, the computer may not be returned for a number of weeks.
 - c. CP/M and MS-DOS are operating systems commonly found in microcomputers. The software you plan to use must be compatible with your computer operating system.
(NOTE: CP/M can be added to many computers that have other operating systems. PC-DOS is the IBM version of MS-DOS.)
 - d. The amount of internal memory is also a factor. The amount of built in memory allows you to use more complex programs.

VII. Select entertainment equipment.

[Objective 5; HO 1]

A. Televisions

1. Determine the screen size you desire by measuring diagonally from corner to corner.
2. Most sets are solid-state, modular construction.
 - a. Solid-state construction refers to printed electronic circuitry which requires limited amounts of electricity.
 - b. Modular construction enables repair persons to remove defective segments of the circuitry and replace them with others, reducing repair costs.
3. Color television sets are more expensive than black-and-white sets.
4. Some sets have automatic fine tuning (AFT) or automatic frequency control (AFC) which locks the tuner on the direct center of the channel reducing the need for fine tuning controls.
5. The majority of sets can receive very high frequency (VHF) or ultra-high frequency (UHF). If you have UHF stations in your area, you will want a set which receives this frequency.
6. Some sets are equipped with remote control devices which allow you to turn the set on and off, plus

- make several other adjustments without having to touch controls.
7. If you wish to use your set for several purposes such as a playing board for computer games, a screen for recorded TV programs or for home movies, you will need to gather a great deal of information to help you choose equipment that meets your needs.
 8. When choosing a set:
 - a. Be sure the picture is sharp, clear, undistorted, and has lifelike color tones.
 - b. Written material on the screen should be legible and the first and last letters of statements should be visible.
 - c. Listen to the sound and view the picture. Be sure the music is clean, and, if stereo capability is available, that speaker sound is balanced.
 - d. Stand as far from the set as you will normally be when watching at home to help you choose the right screen size.
 - e. Tune the set in the store to learn the techniques for the specific set.
 - f. Compare sizes, manufacturers and features of sets.
 - g. Compare warranties.
 9. Choose a dealer that will stand behind the product.
 10. Before you call a service person:
 - a. Be sure the set is plugged in.
 - b. Be sure antenna wires are securely fastened.
 - c. If there is no picture or sound, push the circuit-breaker on the back of the set.
(NOTE: See the owner's manual for instructions.)
 - d. If there is no picture, but the sound is normal, turn up the brightness control knob or switch stations. The station may be having transmission difficulty.
 - e. If there is no sound but you do have a picture, switch channels or adjust the volume and fine tuning controls.
 - f. If you have no color, change channels, it could be the station you are watching.
 - g. Adjust the tint control if the color mix is inappropriate, i.e., faces are green, clothes are deep orange or purple.
 11. For service:
 - a. Take your set to the shop to avoid paying extra for a housecall.
 - b. Get a cost estimate for any repairs on your set.
(NOTE: If you decide not to have the set repaired, you will still owe the repairperson

- for the house call and for deciding what the problem is.)
12. The antenna:
- a. Antenna models differ by the number of elements they contain.
 - b. The length of elements affects the frequencies received.
 - c. If the antenna contains both short and long elements, it will pick up FM, VHF and UHF broadcasts.
 - d. If you are 25 to 50 miles from your station, use a roof antenna, especially for color programming. At this same distance, a rabbit-ear or built-in antenna will work for black-and-white reception.
 - e. Check your old antenna with a new television set. It may not provide a quality picture and may require changing.
- (NOTE: Be sure to find out whether the dealer will do free installation and set-up for your set.)

B. Video cassette recorders

1. As more of these devices are produced, prices tend to fall.
2. Programs can be taped without commercials or other interruptions.
3. Movies can be rented and shown on your own television set.
4. May be combined with camera allowing you to record events.
5. Use different tape formats which vary the degree of playing time you have
6. Some equipment allows you to watch one program while taping another.
7. Models with quartz tuners permit taping of an unlimited number of channels.
8. Models can be programmed to record channels while you are away from home.
9. Models may also deliver stereo sound which may not provide as high a quality as a typical stereo sound player.
10. Standard controls on a VCR include: record, pause, play, rewind, stop, search/scan, fast-forward.
11. Many units can record up to five hours.

C. Audio equipment

1. Know what you want before you purchase.
2. Amplifiers are rated according to one of three standards:
 - a. Electronics Industry Association Music power,

- b. Continuous power (RMS), or
 - c. Institute of High Fidelity power
- 3. System parts which must work together must use the same degree of household current, and the same power frequency.
- 4. System parts include:
 - a. An antenna for good FM reception.
(NOTE: An outdoor antenna gives the highest quality performance.)
 - b. A tuner designed to receive AM, FM, stereo and other radio services alone or in combination.
 - c. A turntable is needed for playing records.
- 5. Tape equipment can be in the form of cassette (completely enclosed tape), reel-to-reel (firmly wound tape on reels), or cartridge (usually larger than cassettes).
- 6. You may want a unit that requires you to plug it in as well as be battery powered for portability.
- 7. Types of sound reproduction include:
 - a. Monaural (one speaker)
 - b. Stereo (two speakers)
 - c. Quadriphonic (four speakers)
- 8. Monitoring devices include:
 - a. Volume unit meters enable you to see your recording level and help you make more exact reproductions of music.
 - b. Noise reduction systems reduce the chance of the tape movement being heard on your recording.
- 9. Recorders may have other features such as automatic tape changers (cartridge or cassette), shut-offs, rewind, conversion from plug-in to battery, pause controls and front loading for tape decks which must be stored in limited space areas.
- 10. Because audio equipment can be very expensive, know how you plan to pay for it.
- 11. Compact disc players (CD's)
 - a. Compact discs are a recent development in recording technology.
 - b. Small recording discs are used with a player.
 - c. An audio tape machine may also be purchased which makes it possible to record from the disc.
(NOTE: Copying from discs is a copyright violation. The recording industry is currently seeking legal restraints against unauthorized copying.)
 - d. Discs are similar in concept to the records currently available in stores but are smaller and more expensive.
 - e. Discs have computer coded information on them.
 - 1) Discs are read by the player using a

- laser light.
- 2) Discs reproduce sound of extremely high quality.
- 3) Discs are easy to use, store, and are not easily damaged by handling, nor do they lose quality when scratched.
- f. Players come in portable and nonportable models
(NOTE: Currently portable models are more expensive.
- 1) Buyers may wish to purchase models which match those they already own. This gives all parts of a sound system a matched look and makes it easier to interconnect components.
- 2) Models vary in price based on the features they offer.
 - a) Some models offer a scanning feature allowing the user to search a disc for a desired recording
 - b) Some models have a programmable feature permitting the user to record only selected songs, thus creating a unique audio tape.
 - c) Some models include a remote control device.
- 3) Because of the high quality of this audio system, users can obtain excellent playing systems for relatively low cost.
(NOTE: Domestic models can be more readily repaired than foreign models whose parts may be difficult to maintain.)
- g. Predictions are that eventually the compact disc player will also operate the television as well as the computer.

VIII. Select lawn equipment.

[Objective 6; HO 1; AS 4; JS 4]

- A. Not everyone needs lawn equipment and accessories.
- B. For those who do need this equipment and related supplies, some pointers need to be kept in mind:
 - 1. Shop around for supplies.
(NOTE: Many landscaping and nursery dealers are available to help you develop a workable plan.)
 - 2. Low cost full service stores in your area may have plants and supplies at lower prices than do nurseries, but the range of items will be more limited.

3. Many nurseries offer similar services through mail order catalogs.

(NOTE: When purchasing plants from a catalog, be sure that items are appropriate for your geographic area.)

C. Tools and equipment

1. Hand tools include spades, hoes, rakes, etc.
(NOTE: Be sure to select tools that are sturdy, well finished, made of quality materials and well balanced (feel good in your hand and are not heavier at one end than the other).)
2. Power tools need to have several features, such as:
 - a. Double insulation
 - b. Protective guards
 - c. Controls which are easily reached

D. Lawn mowers

1. If you have only a small yard space, a reel-type mower is effective and economical.
(NOTE: This type of mower is safer and more efficient than a power mower and requires very little maintenance.)
2. Power mowers are effective if you must care for a large lawn.
 - a. Be sure the mower you choose meets safety standards.
(NOTE: You can check various consumer publications to get ratings on quality, care, repair record and safety features.)
 - b. Follow these tips when using a mower:
 - 1) Do not mow wet grass (clogs mower and reduces efficiency.)
 - 2) Remove objects (sticks, wire, cans) from lawn before mowing.
 - 3) Keep children and pets away from mowers.
 - 4) Cool down engine if you need to refuel (hot engine can ignite gasoline).
 - 5) Wear sturdy shoes when mowing grass.
 - 6) Keep hands and feet out of the way of mower blades.

- E. Many small hand held tools are available for grooming and touching up the lawn, such as clippers, hand held trimmers, wet and dry outside vacuums.

(NOTE: When selecting these tools, use the same care as you would in selecting a power mower. Safety in use is of primary importance.)

IX. Select recreational equipment.

[Objective 7; HO 4; JS 5; see also Unit III]

- A. Between 1890 and 1983, the average number of hours worked per week declined from about 55 hours to about 35 hours.
- B. Since June 1875, the average days worked per year has declined from 338 working days to about 240 working days.

(NOTE: This trend should continue as society becomes more business oriented.)

- C. The number of legal holidays and available paid vacation time has also increased significantly over the last century.
- D. The amounts spent for recreation, equipment and services has risen dramatically.
- E. Most Americans prefer to spread out their vacation over smaller time periods.
- F. There are many varieties of recreational activities.

(NOTE: More popular activities include: calisthenics, fishing, bowling, needlework, furniture refinishing, collecting.)

- G. To find products for your recreational activities, refer to your local Yellow Pages, YMCAs, YWCAs, parks and recreation department, community services, local library, and recreational oriented magazines and publications.

[NOTE: Information about exercise and fitness equipment is included in Unit III.]

- H. Before buying recreational equipment, you may want to ask friends about what they use; you may wish to rent equipment to help you determine what you need and if you wish to purchase it.
- I. Recreational vehicles (RVs) have become a part of many family recreational activities.
 - 1. When thinking of purchasing an RV, it is important to follow a procedure similar to purchasing an automobile.
 - 2. RVs tend to be uneconomical because they are usually not appropriate as a second car and, therefore, are idle for long periods.

- a. They lose about 25 percent of their value the first year.
 - b. It may be more costly to use an RV while vacationing than to stay in hotel/motel accommodations.
 - c. You may wish to purchase specialized insurance to cover RV damage, since RVs are so expensive.
- J. If you choose to rent equipment, you may face such disadvantages as having to plan ahead to be able to acquire equipment and lack of customization.
- K. Time-share vacation resorts are becoming popular.
 - 1. A one or two-week interest in a vacation home is purchased.
 - 2. To determine if such an arrangement is of value to you, contact: American Land Development Association, Resort Time-Sharing Council, 100 16th Street N.W., Washington, D.C. 20036
 - 3. If property values appreciate, you may increase the value of your investment; if values decline, you might be able to rent comparable facilities at a lesser cost.
- L. Many recreational activities do not require large expenditures.
- M. Recreation permits individuals to get in touch with themselves, relax and, if friends and family are participating, can strengthen ties with them.
- N. Obtaining information about vacation possibilities.
 - 1. Many books are available that provide information about vacation options.
 - 2. Information is also available from tourist information bureaus in each state listed in the telephone Yellow Pages, or from foreign Consulates, which are often willing to share information about their country with you.
 - 3. In the United States, you can get camping information from the U. S. National Park Service, Department of the Interior, 18th and East Streets, Washington, D.C. 20240.
 - 4. Members of the American Automobile Association can receive information on the United States, Canada, Mexico, and others.
 - 5. Newspaper and magazine travel sections can provide useful information.
 - 6. Railroad and bus stations offer low-cost tickets to travel within a set time period.

7. Travel agents can provide you with desired information about traveling. They provide information and other services such as:
 - a. Plane, train and boat schedules
 - b. Special events occurring locally, nationally or world wide
 - c. Tour and hotel reservations and rates
 - d. Seasonal rate variations (expenses may be less depending on the season of the year)
 - e. Passport requirements and the need for shots against disease
 - f. Customary clothing, tipping, and good restaurants.
8. Travel agents get paid for their services from commissions they receive from hotels, restaurants, or airlines. Extra charges are made if you want reservations in specific hotels, if they must reticket you (you lost your tickets or did not attend a session you expected to attend and wanted a later time period) or for making long distance calls or sending telegrams.
9. You may want to use agents who are members of the American Society of Travel agents
(NOTE: Agencies displaying such membership have been in business for three or more years and meet specific financial and ethical standards established by that organization.)
10. Reservation information can be handled through various agencies.
 - a. For rail reservations, contact:
 - 1) Amtrak (800)342-2520
 - 2) In Canada: Canadian National Railways, 630 Fifth Avenue, New York, New York 10020; or Canadian Pacific Railways 581 Fifth Avenue, New York, New York 10017
 - b. For bus reservations: Contact your local Greyhound or Trailways Office or the New York Port Authority Bus Terminal, 8th Avenues & 41st Street, New York, New York 10014
 - c. When traveling by car: American Automobile Association 28 East 78th Street, New York, New York 10021
(NOTE: If traveling outside the United States, be sure to check insurance regulations prior to taking your car to another country. For Canada, you will need a nonresident insurance card. In Mexico, your insurance is good for no more than 48 hours.)
11. Recreational costs can be cut in several ways
0. A vacation requires budget planning.
 1. Take a credit card with you for identification whether you plan to use it or not.

2. Be sure to set a limit on how much you wish to spend.

X. Select safe furniture, equipment and toys for children.

A. Safeguarding children

1. In the United States, more children are seriously hurt or killed by accidental injuries than by any other cause.
2. Many childhood accidents can be prevented by selecting safe furnishings and equipment for children.
3. Infant furniture and children's toys are often the cause of preventable injuries.
4. Take time and care in choosing products for children. Be sure to consider the child's age, needs, growth and development.

B. Children's furniture

1. Baby carrier
 - a. Has a wide base for stability
 - b. Has strong, functional safety straps
 - c. Made of sturdy fabric
 - d. Has a non-skid bottom surface
(NOTE: Strips of rough surface adhesive can be attached to the bottom of carrier to prevent skidding.)
 - e. Never leave infant unattended in a carrier; stay close to infant if the carrier is placed on a high surface, such as a table, sofa.
2. Back carrier
 - a. Should be appropriate to the child's size
 - 1) Enough depth to support infant's back
 - 2) Leg openings small enough to prevent infant from slipping out
 - 3) Leg openings big enough to avoid chafing infant's legs
 - b. Has restraining straps to prevent child climbing out of carrier
 - c. Constructed of sturdy materials with strong stitching or heavy-duty snaps to prevent baby from slipping out
 - d. Has no joints which could accidentally close and pinch or cut infant
 - e. Has no sharp points, edges, or rough surfaces
 - f. Has soft, padded covering over metal frame near baby's face to protect against bumping
 - g. Additional safety precautions:
 - 1) Check frequently and repair ripped or frayed fabric or straps, missing or loose snaps.

- 2) When using carrier, bend from knees rather than the waist to minimize the chances of infant falling out of the carrier.
 - 3) Do not use before baby is 4-5 months old, when baby's neck is strong enough to withstand jolts and resulting injury.
3. Dressing table
 - a. Use the straps to help prevent falls.
 - b. Remain close to infant on dressing table to prevent falls.
 - c. Guard rails and/or recessed table top provide additional protection.
 4. Playpen
 - a. Hinges and latches on folding models should lock tightly to prevent scissoring action when playpen is in use.
(NOTE: Many models include plastic guards over metal hinges and latches to provide extra security from injury.)
 - b. Have a firm floor support to prevent collapse of a playpen with legs.
(NOTE: If bottom consists of wooden slats more than 2-3/8 inches apart, interweave sheeting between the slats and fasten securely.)
 - c. If mesh nylon netting is used, be sure it has a very small weave, smaller than tiny buttons on baby's clothing, which could catch and strangle a baby. When baby is old enough to stand and climb, mesh should not be large enough to provide toe-hold for climbing.
 - d. Use foam pads for bottom of playpens (they are long lasting and will not mildew).
 5. Crib
 - a. Mattress is firm and fits crib to edge.
(NOTE: If there is a gap between mattress and crib edge, fill the gap with rolled large bath towels.)
 - b. Crib slats are no more than 2-3/8 inches apart.
(NOTE: Bumper pads may be used that run around the entire inner wall of crib, tie or snap in place, attach with at least six straps (excess should be trimmed from each strap. Bumper pad should be removed when baby can stand to prevent baby using it to climb out of the crib.)
 - c. There should be no rough edges, sharp hardware, or exposed bolts.
 - d. Crib should not be painted with lead-based paint.

- e. Locks/latches on the drop side of the crib should be secure from accidental release by child or adult.
(NOTE: Use locking, hand-operated type of latch.)
 - f. When lowered, the sides should be four inches above the mattress.
 - g. Sides should have only vertical slats (no cross-bars!)
 - h. Crib should be constructed of material that will not splinter.
 - i. Additional safety precautions:
 - 1) Toys should not be fastened to the sides of crib or left in the crib (child could use them to climb out).
 - 2) Do not leave the child alone in the crib with the sides down.
 - 3) Do not use flimsy plastic to cover the mattress (a potential suffocation hazard).
 - 4) Do not repair mattress or bumper pad with plastic tape (child may remove tape and put it in the mouth).
6. Strollers
- a. Stroller should be sturdy and not tip with weight of the child (sitting or lying).
(NOTE: Strollers with a wide base and wide diameter wheels will not tip easily.)
 - b. Backrest should provide firm back support and be vertical or nearly vertical.
 - c. Stroller should have a safety belt.
 - d. There should be a brake which locks securely.
 - e. All latching mechanisms should fasten securely.
 - f. There should be no sharp edges or scissor-like mechanisms that could pinch or cut child's fingers.
 - g. There should be room for growth.
 - h. Canopy can be locked in position and will not fall on child.
 - i. Additional safety precautions:
 - 1) Check to make sure that all latches are securely fastened.
 - 2) Use the seat belt.
 - 3) Do not carry two children in a stroller designed for one child (do not allow another child to stand on the back support or ride in the stroller basket).
7. High chair
- a. Should have a wide base for stability
 - b. Should have no sharp or rough edges or sharp points
 - c. Should have a safety strap
 - d. Additional safety precautions:

- 1) Never leave child unattended in a high chair.
- 2) Never allow child to stand in high chair.
- 3) Do not allow child to climb on high chair.
- 4) Do not place high chair near other furnishings that child could use to push off from and tip over.
- 5) When not in use, place high chair where it cannot be easily tipped over.

C. Selecting safe children's toys

1. Features to look for in children's toys:

a. Especially for younger children:

- 1) Unbreakable construction
- 2) Smooth, rounded edges and corners
- 3) Brightly colored
- 4) Toys that can be chewed
- 5) Safe, nontoxic coloring and materials
- 6) Toys that make interesting noises
- 7) Toys with large pieces
- 8) Toys that encourage awareness of size, color, shape
- 9) Toys that display numbers and letters

b. For children over age three:

- 1) Toys that stimulate imaginative play
- 2) Toys that stimulate play imitative of adult roles
- 3) Sturdy, well-constructed sports equipment
- 4) Battery-powered toys with UL approval
- 5) Art activities
- 6) Kits and hobby activities
- 7) Toys that stimulate fine motor development and eye-hand coordination (for example, stencils, cut-outs, building blocks/materials, puppets, puzzles, craft sets)
- 8) Games that encourage social interaction and cooperation
- 9) Toys and games that require some reading
- 10) Toys that demonstrate scientific principles

2. Dangerous toys to avoid:

a) Especially for younger children:

- 1) Rattles with ends smaller than 1-3/8 inch in diameter
- 2) Toys with parts small enough to swallow or with parts that could be removed and swallowed
- 3) Toys with cords over 12 inches long

- 4) Stuffed animals with glass or button eyes, or with removable parts that have sharp points or edges
 - 5) Toys with slots, holes or edges that could catch child's fingers
 - 6) Electrical toys
 - 7) Riding toys that are inappropriate for child's size and physical development, that are used in hilly areas or driveways, that can take child away from supervision, that are poorly constructed or poorly balanced
- b) For all ages:
- 1) Poorly constructed, easily breakable toys
 - 2) Toys with sharp or rough parts
 - 3) Broken toys
 - 4) Toys that include poisonous substances (such as paints) or poisonous plants
 - 5) Poorly balanced riding toys
 - 6) Poorly constructed sports equipment
 - 7) Riding toys and sports equipment that are inappropriate for child's size and physical development
 - 8) Poorly maintained riding toys and sports equipment
 - 9) Flammable toys or costumes
 - 10) Costumes that obstruct vision or are long enough to trip child
 - 11) Electrical toys run on household current
 - 12) Kites made of electrically conductible material
 - 13) Toys with loud noises (hazard to ears/hearing)
 - 14) Shooting toys (hazard to the eyes!)
 - 15) Darts with sharp points
 - 16) Fireworks

XI. Arrange for household services.

[Objectives 8-14; HO 5; JS 6]

A. Arrange for repair of appliances and utilities.

1. If you own your residence, you will need to develop skills in handling minor repairs
 - a. Bookstores stock many easy to use home maintenance manuals that provide directions for simple care and repair of household items
 - b. Adult education classes also offer the opportunity to become skilled in home maintenance

- c. Knowledge of simple home care and repair will save you extensive labor costs on home maintenance
- d. At times it will be necessary to use outside services for maintenance and repair of appliances and utilities
 - 1) Appliance are being developed today for which modules can be purchased to replace parts of an appliance that break down. Homeowners can purchase these modules, replace nonworking units, thus repairing their own appliances.
 - 2) Should an appliance need repair, follow these steps:
 - a) Comparison shop to determine who will provide the fastest service, the most reasonably priced service, the highest quality replacement parts.
 - b) Critically evaluate any agency which offers service contracts.
(NOTE: Be sure to analyze any service contract to be sure it is worth the price you pay.)
 - 3) When utility services are disrupted, most companies make every effort to restore services as soon as possible.
 - a) Typically, homeowners are responsible for in-home repair of utilities such as telephone, gas, electricity or plumbing
 - b) Connections outside the home are normally the responsibility of the service company.
 - c) Be sure as a homeowner you know where your fuse box, water, and gas shutoffs are located in case of emergency.
 - d) Keep a list of service agency workers in case of line breakage or other damage to the exterior of your property.
(NOTE: Should you smell gas, remember to leave the premises promptly and telephone the service agency from a neighbor's or pay phone to obtain assistance.)
Should you encounter a downed power line or broken water pipe, contact the service company immediately so that service can be discontinued and repairs made.)

B. Arrange for housecleaning services.

1. In order to maintain your home or apartment and furnishings, you will need to establish a cleaning schedule.
2. Most household cleaning is done by the home owner or renter.
3. You will need to set up a schedule for cleaning that works well with your lifestyle and responsibilities.
 - a. A schedule involves organizing your cleaning tasks
 - b. You must decide how often you need to clean (For example, cleanup of the kitchen is usually required more frequently than carpet cleaning, for example.)
 - c. Items which will need to be cleaned include
 - 1) Furnishings
 - 2) Floors
 - 3) Fixtures
 - 4) Window treatments
 - 5) Ceilings and walls
 - d. Apply wax, dust, and mop surfaces on a regular schedule.
4. Because many families are two income earners, adults and children share in cleaning chores.
 - a. Families need to decide who will be responsible for certain household cleaning tasks.
 - b. Tasks should be assigned on a rotating basis so one person need not always be responsible for the same tasks (carrying out the trash, for example).

(NOTE: Families may wish to avoid assigning household chores on a sex-biased basis, for example, females can share in outside work and auto maintenance and males can share in inside work and child care.)
 - c. Should career-related or other family responsibilities be very demanding, a family may employ outside housecleaning services to perform tasks. If you need to use such service be sure you:
 - 1) Comparison shop for services
 - 2) Evaluate any contracts thoroughly before signing
 - 3) Clearly define your expectations
 - 4) Agree upon a payment schedule
 - 5) Prepare family members so each may organize their area for cleaning or maintenance

C. Arrange for pest control services.

1. Family members need to maintain a clean environment to reduce the number of household pests by:
 - a. Sealing cracks around windows, doors, or other open areas
 - b. Removing trash and other refuse daily
 - c. Keeping all living areas clean
 - d. Using pesticides only when necessary
(NOTE: Be sure that when pesticides are used, directions for use are followed so that humans and pets are not exposed to significant amounts of pesticides.)
2. Should it be necessary to hire a professional exterminator to eliminate household pests, follow the steps listed in section B. 4.

D. Arrange for interior and exterior improvements.

1. Anyone who owns property will need to develop skills to enhance the interior and exterior of their dwelling.
2. Use do it-yourself manuals to help you develop these skills or enroll in a training program for the necessary skills.
3. Establish a schedule for the upkeep of the interior and exterior of the dwelling similar to the cleaning schedule specified in Section B.
(NOTE: If you neglect maintenance of the interior or exterior of your dwelling, you reduce the value of your property.)
 - a. Determine how frequently to paint/wallpaper the interior of your dwelling.
 - b. Determine how frequently to paint the exterior of your dwelling, caulk windows and door frames, seal cracks, paint window frames and other general repair.
4. Numerous contractors are available who can shingle your roof, apply aluminum, vinyl or steel siding, install replacement doors and windows, seal basement leaks, and so forth
 - a. Be sure that you comparison shop for such services
 - b. Choose only legitimate contractors
(NOTE: Cases have occurred in which elderly persons were harassed into contracting for roof, furnace, or driveway replacements at exorbitant prices with shoddy workmanship.)
 - c. Be sure you know what you are getting for a contractor's services.
 - d. Review any contracts critically and have all portions explained before signing anything.

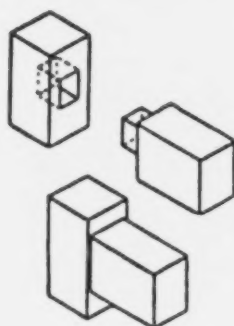
- e. If possible, remain on the premises to supervise work while workers are there.
(NOTE: Workers may make decisions you do not approve of if you leave them unsupervised.)

E. Secure contract for home improvement.

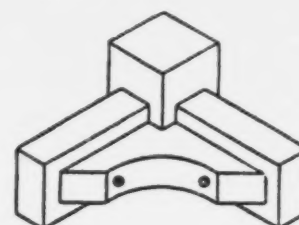
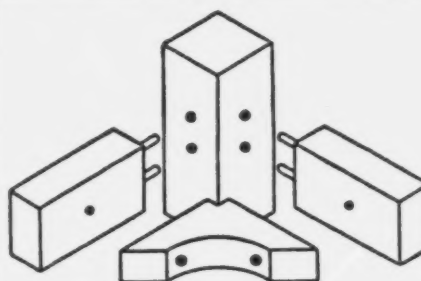
[See objectives 6 and 7 of Unit I; TM 6, Unit I; AS 6, 8, Unit I]

This information is covered in Unit I, "Making Informed Choices," section VI, "Evaluate service contracts and warranties."

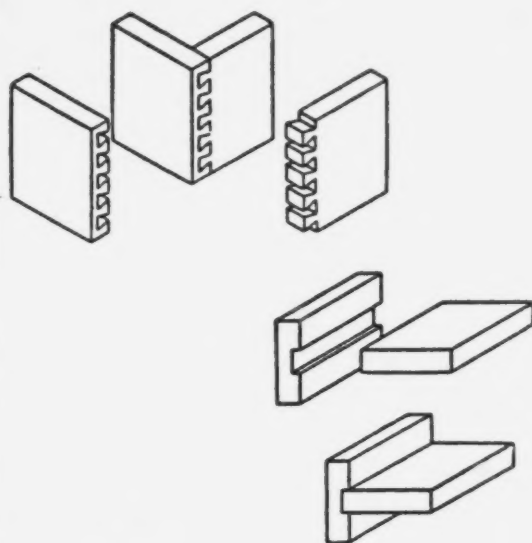
Construction Features of Quality Furnishings



Dowel, and Mortise
and Tenon Construction



Chair Joint

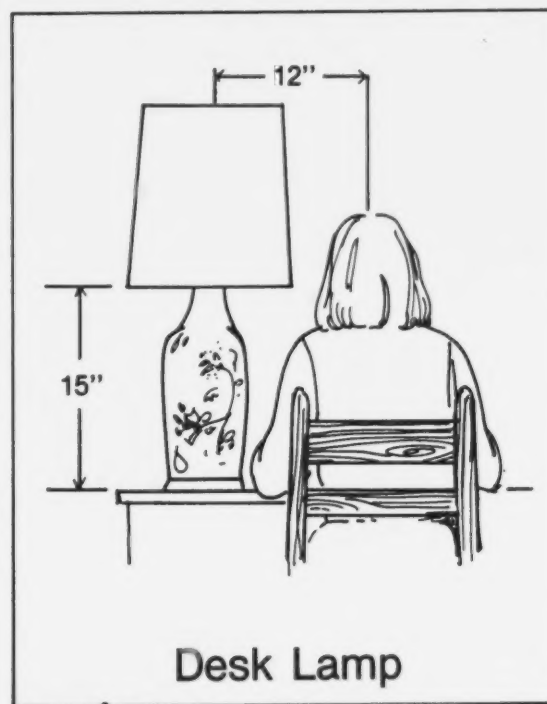
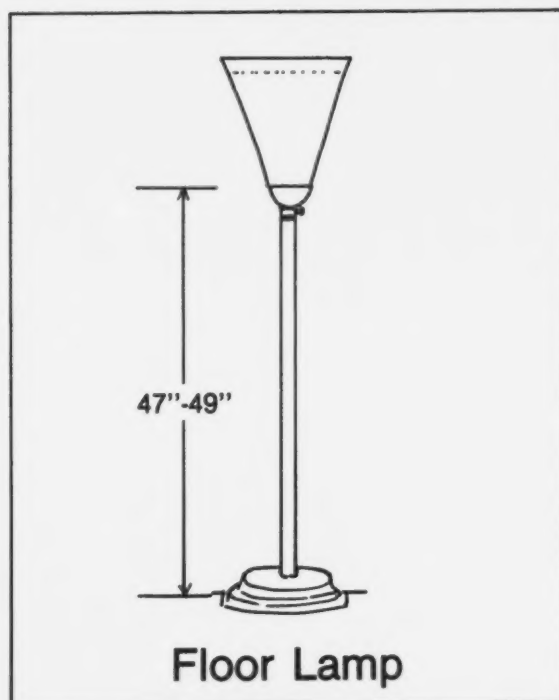
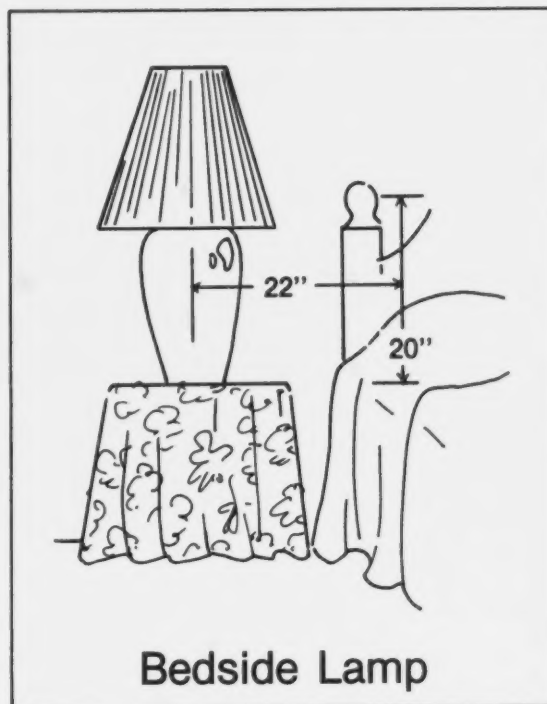
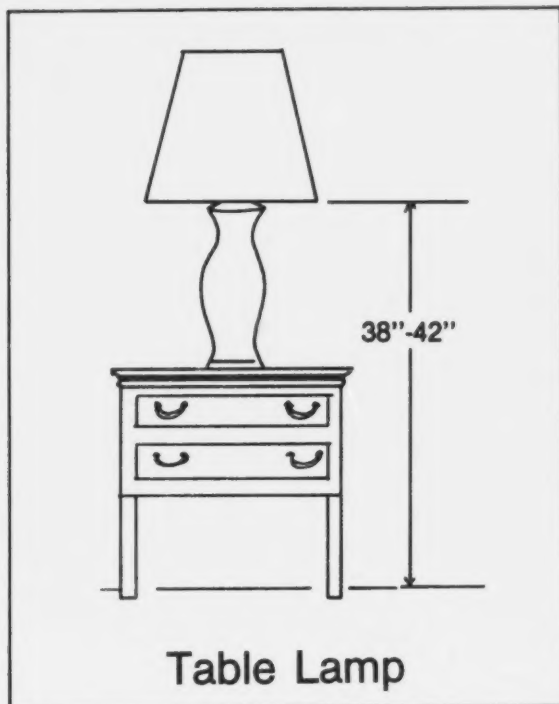


Drawer Construction

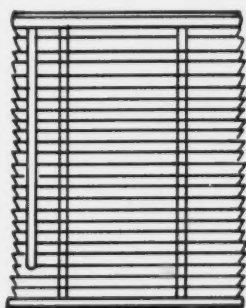


When Buying Furniture,
Look for Sturdy Construction

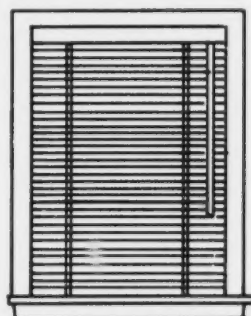
Lighting Dimensions



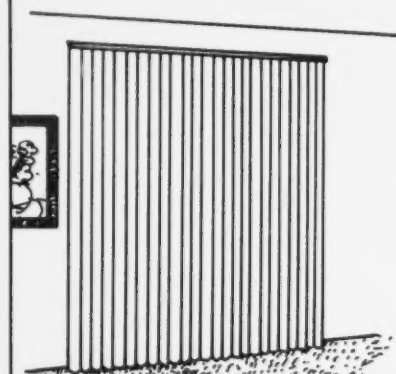
Window Coverings



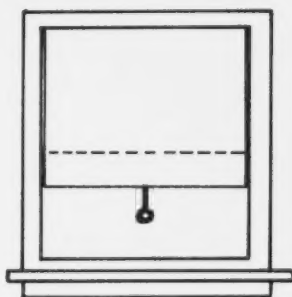
Venetian Blind



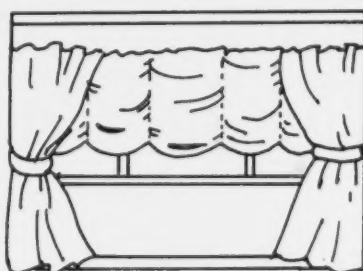
Mini Blind



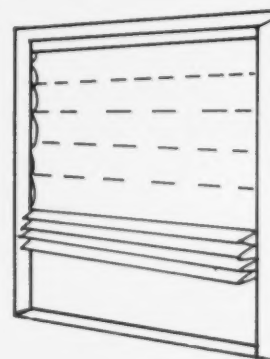
Vertical Blind



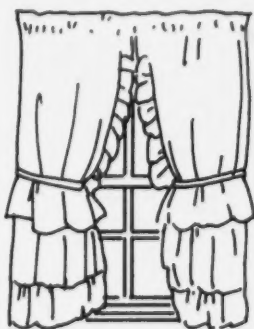
Traditional Shade



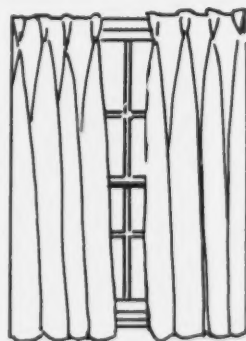
Austrian Shade



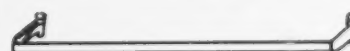
Roman Shade



Curtains



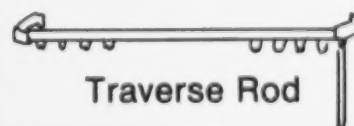
Draperies



Regular Curtain Rod



Tension Rod



Traverse Rod

Energy Efficiency Rating

Room Air Conditioner
Capacity: 6,000 BTU/hr.

(Name of Corporation)
Model(s) SA 714, SA 718



Models with the most efficient
energy rating number use less
energy and and cost less to operate

Models with 5,200 to
7,699 BTUs cool
about the same space

Less efficient
model
5.6

7.3

Most efficient
model
10.2

▼ THIS MODEL ▼

Energy Efficiency Rating (EER)

Your cost will vary depending on your local energy rate and how you use the product. This energy cost is based on U.S. Government standard tests.

How much will this model cost you to run yearly?

Yearly hours of use		250	750	1000	2000	3000
Estimated yearly \$ cost shown below						
Cost per kilowatt hour	2¢	\$6	\$17	\$22	\$44	\$66
	4¢	\$11	\$44	\$66	\$88	\$132
	6¢	\$17	\$50	\$66	\$132	\$198
	8¢	\$22	\$66	\$88	\$176	\$264
	10¢	\$28	\$83	\$110	\$220	\$330
	12¢	\$33	\$99	\$132	\$264	\$396

Ask your salesperson or local utility for the energy rate (cost per kilowatt hour) in your area.

Important Removal of this label before consumer purchase is a violation of federal law (42 U.S.C. 6302)

What the Energy Guide Label Tells You

- ☒ Appliance type and capacity (in other words, what kind of appliance it is and how much it can hold).
- ☒ Statement explaining that energy cost will vary depending on the local energy rate and how the product is used.
- ☒ Features of the model, giving model numbers to which the label applies and describing any special characteristics.
- ☒ Statement that energy cost shown is based on standard government tests, but that actual costs may differ.
- ☒ The yearly cost of operating the appliance, depending on your local energy rate (local cost per kilowatt hour of electricity).

Energy Information Will Help You To:

- ☒ Estimate yearly cost of running the appliance
- ☒ Compare the yearly costs of competing appliances
- ☒ Estimate the appliance's total cost to buy and use
- ☒ Save money in the long run

Source: Clinard, Edmondson, Olander. **Energy Guide for Secondary Home Economics Classes.** Knoxville, TN: Energy, Environment, and Resource Center, University of Tennessee, 1980.

GUIDELINES FOR BUYING HOME FURNISHINGS

1. Stay within your budget-spending plan. Watch for sales.
2. Visit several stores. Compare costs and brands.
3. Check for quality construction features, comfort, matched patterns, efficiency and ease of operation.
4. Read labels and guarantees. Find out about maintenance. If you have any questions, ask salespeople.
5. Buy flexible items which could be used in another setting.

SUCCESSFUL COLOR USE

1. White tends to make spaces feel more open and allows for great flexibility with furnishings.
2. Accenting one wall with a bright, intense hue can add excitement to a room.
3. Painting old furniture in bright hues can give them new life and change the mood of a room.
4. Use fewer, rather than many, colors to create a sense of harmony and continuity.
5. Natural or earth colors create many successful color schemes (white, beige, tan, brown, neutral with yellow, orange or rust added as accent colors).
6. Choose colors you like and do not be concerned with fashion trends in color.

QUALITY CONSTRUCTION FEATURES FOR SEATING

1. Check joints to be assured of snug fit; check for cracks and sit on chair to check for wiggles or squeaks indicating loose joints.
2. In upholstered seating check springs--see that they do not sag.
3. Examine stitched areas on fabric to see that no breakage has occurred.
4. Examine weave of fabric to be sure that it is tightly woven, and is labeled to assure soil and stain resistance.
5. Avoid plastic fabrics which can be warm and uncomfortable in hot weather.
6. Observe finishes to see that there are no nicks or chips or that the finish is evenly applied.

REDUCING RECREATION COSTS

1. Take advantage of bargains (special airline, bus and rail fares)
2. Use the Traveler's Directory, 51-02 39th Avenue, Woodside, New York 11277 (Lists U.S. and international free accommodations. To obtain, you must give a donation).
3. Travel to less well known places.
4. Vacation during off season times.
5. Use available student identity card--offers reduced rates for students and available from Council on International Educational Exchange, 777 United Nations Plaza, New York, New York 10017.
6. Youth hotels offer dormitory-like rooms which are inexpensive for students. Obtain information from American Youth Hostels, AYH National Campus, Delaplane, Virginia.
7. Your family might want to house-swap (use someone's house to vacation in while they use yours). For information contact: Holiday Home Exchange Bureau, Inc., P. O. Box 555, Grusts, New Mexico 87020 or the Vacation Exchange Club, Inc., 350 Broadway, New York, New York, 10013.
8. Camping can offer lower vacation costs. Contact the Superintendent of Documents, Washington, D.C., 20402 for information on using the national park system. Also, check campground guidebooks in your local bookstore.
9. Try to obtain special passes to recreational parks, national parks and campgrounds to reduce costs. Contact the specific agency to find out when these are available.

POINTS TO CONSIDER WHEN SELECTING HOUSEHOLD SERVICES

Check Points:

- A. Can you verify that contractors are who they say they are?
- B. Have you checked on the individual's reputation?
- C. Is the company licensed and bonded?
(NOTE: In case of an accident, workers should be covered by the contractor's insurance.)
- D. Has the representative used no high pressure sales tactics?
- E. Is the contractor's offer free of fraudulent sales tactics?
- F. Will the contractor back up the completed work?
- G. Are you aware of all costs involved in the project?
- H. Does the contractor guarantee payment to all workers?
- I. Are you aware of all binding agreements in the contract?
- J. Are all materials and labor identified in the contract?
- K. Are there any cancellation penalties in the contract?

Name: _____
Point Value: _____
Points Earned: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

ASSIGNMENT SHEET 1--MATCH TERMS TO COLOR POINTERS

Directions: Place the letter of the correct answer in the blank to the left of the statement. A letter may be used once, more than once or not at all. Each item is worth two points.

- _____ 1. A color which allows for great flexibility with furnishings
- _____ 2. A factor which is an important part of all design
- _____ 3. Colors which combine well with many decorating schemes.
- _____ 4. Tends to make spaces seem smaller.
- _____ 5. One of your least expensive design tools.
- _____ 6. Tends to make spaces seem larger.
- _____ 7. Creates a sense of continuity in a room.

A. Color
B. Red
C. Wall accents

D. White
E. Blue
F. Intense hues

G. Earth colors
H. Fewer colors

Name: _____
Point Value: _____
Points Earned: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

ASSIGNMENT SHEET 2--MAKE HOME DECORATING DECISIONS

Directions: Demonstrate your ability to summarize your thoughts about accessories and furnishings by developing a concise response for each of the following questions.

1. What kinds of accessories have the most impact upon a decorating scheme and why?
2. Of all the types of flooring available, which type is suitable for most decorative settings? Explain your response.
3. If friends indicated to you that they were thinking about papering all their walls, what response would you give to them?
4. If a sales person said to you that it is easy to match paint to furnishings and floor coverings, what would your response be?
5. If asked to suggest fabrics that are durable for furnishings, what suggestions would you give and why? Be sure to give two or more suggested fabrics.

Name: _____
Point Value: _____
Points Earned: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

ASSIGNMENT SHEET 3--SOLVE APPLIANCE MATH PROBLEMS

Directions: Determine the operating costs of a larger appliance by computing costs. Each correct answer is worth 5 points.

1. Determine the operating cost of the following large appliance
 - a. Purchase price = \$540.00
 - b. You take the money from your savings to pay for the appliance. Compute the lost interest at 5.5% = \$ _____
 - c. Operating costs for the appliance for 1 year = \$55.00
 - d. The life of the appliance is 14 years. Divide the life of the appliance into the cost of the appliance = \$ _____
 - e. Repair costs for the appliance average \$12.00/year.
2. Total cost/year - Interest + operating costs + depreciation + repairs = \$ _____

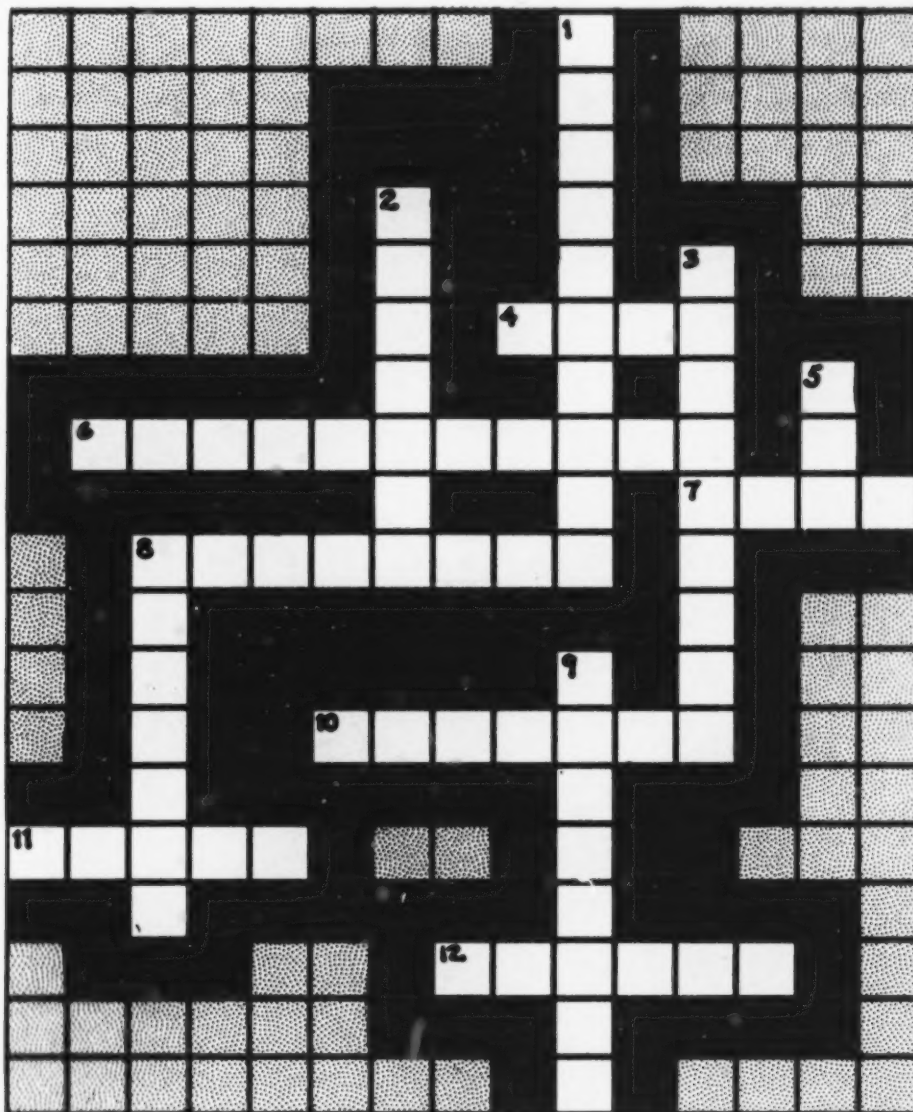
Name: _____
Point Value: _____
Points Earned: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

ASSIGNMENT SHEET 4--COMPLETE LAWN CARE PUZZLE

Directions: Complete the crossword puzzle below by filling in the correct terms related to lawn care equipment and maintenance.



DOWN

1. Quality feature of a power hand tool
2. A quality of a good hand tool
3. A factor to consider when selecting plantings
5. A hand tool
8. A mail order source of plants
9. Reduces mower efficiency

ACROSS

4. What all power tools should be to use
6. Planning where plantings go
7. A type of mower for small yards
8. Keep these people away from mowers!
10. A business where plants may be obtained
11. Be sure to wear these when mowing the grass.
12. Something placed in the soil to grow around your dwelling

FURNISHING AND MAINTAINING A HOME

UNIT VI

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

- | | |
|------|------|
| 1. D | 5. A |
| 2. A | 6. E |
| 3. G | 7. H |
| 4. B | |

ASSIGNMENT SHEET 2

Evaluated to satisfaction of teacher. Suggested answers:

1. Personal belongings or collections because they are more meaningful.
The use of fewer accessories has more impact because attention can be focused on them rather than on many accessories which would tend to provide too much distraction.
2. Wood flooring goes well with all decorative settings, can be finished with a durable wear- and stain-resistant polyurethane finish, and are easier to maintain.
3. Good weight papers are washable and last for many years. More interesting and flexible use of space can be accommodated if paper is used on one or two walls only or just on the ceiling. Avoid using contact paper to cover walls.
4. Attempting to match paint to furnishings and floor coverings is difficult because light reflection differs with material.
5. Wool is expensive, durable, and attractive.
Nylon is long-wearing and highly suitable for furnishings.
Heavy weight fabrics and "commercial" fabric are very durable and are appropriate for upholstery.
Medium weight fabrics, such as burlap, hopsacking, and sailcloth, are suitable for upholstery, curtains, and bedspreads.

ASSIGNMENT SHEET 3

1. b. \$29.70
d. \$38.57
2. \$135.27

ASSIGNMENT SHEET 4

DOWN

1. Insulation
2. Balance
5. Hoe
8. Catalog
9. Wet grass

ACROSS

4. Safe
7. Reel
8. Children
10. Nursery
11. Shoes
12. Plants

427

Name: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

JOB SHEET 1--SELECT HOUSEHOLD ACCESSORIES AND FURNISHINGS

I. Materials:

Catalogs

II. Procedures:

A. Select one of the categories below to study:

Furniture	Bedding	Window Treatments
Paint Finishes	Storage	Shelving
Accessories	Fabrics	Surfaces
Wall Coverings	Lighting	Furnishing Sources

B. Analyze the category you choose to study by completing the following:

1. Identify a specific article within the area you wish to study, such as, furniture: chair; lighting: floor lamp.
2. Identify characteristics of the specific article you are analyzing, such as, chair: upholstered, comfortable cushions.
3. Find examples of the article you are studying from different sources such as department store, mail order catalog, etc.
4. Collect information based on the standards suggested in the various sections of the content outline, including information such as cost, where available, color, size labeling information, quality, finishes, durability, and so forth.

C. Develop a comparison chart to help you analyze the item you are studying. Your comparison chart could look something like the following example.

1. Prepare a summary statement comparing the item on each of the criteria you identified for your study.
2. Share the results with others working on the same task and indicate which source gives consumers the best buy.

COMPARISON CHART			
CRITERIA	ITEM I	ITEM II	ITEM III
Cost			
Source			
Color			
Size			
Labeling Information			
Quality			
Durability			

Evaluation Criteria	Point Value	Points Earned
1. Provided item description		
2. Gathered information on item from three sources		
3. Analyzed item using standards given in class		
4. Developed a comparison chart		
5. Summarized findings		
6. Shared results with others		
7. Determined source of best buy		
Total Points		

Name: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

JOB SHEET 2--EVALUATE AVAILABLE APPLIANCES

I. Materials:

Informative materials gathered from local appliance dealers

II. Procedures:

1. In groups of two, select a large or small appliance to analyze.
2. As a group prepare a form designed to help you gather information. Items which might be included:
 - a. Source of the appliance (store):
 - b. Manufacture of the appliance:
 - c. Cost of the appliance
 - d. Use and care information (availability, ease of interpretation):
 - e. Warranty provisions
 - f. Other items
3. Analyze the appliance at the dealer's showroom:
(NOTE: Two groups of two may want to analyze a similar appliance but at a different source to compare quality).
4. Compare the information gathered among groups.
5. Determine whether the appliance you analyzed is a good buy by preparing a summary statement which reflects your view concerning whether the consumer should buy this appliance or not.

Evaluation Criteria		Point Value	Points Earned
1.	Participated in the preparation of information form		
2.	Requested permission of the appliance dealer to analyze chosen appliance		
3.	Gathered information		
4.	Prepared a summary statement about product		
5.	Used correct grammar and spelling		
6.	Shared information obtained with group		
Total Points			

431

Name: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

JOB SHEET 3--CALCULATE COOLING CAPACITY NEEDS

I. Materials:

Measuring instrument, such as a tape measure

II. Procedure:

Follow these steps to compute the cooling capacity of the size air conditioner needed for one room in your home.

A. Select one room in your home to measure (preferably a living or family room area).

B. Measure room width in feet _____.

C. Measure room length in feet _____.

D. Measure room height in feet _____.

E. Determine insulation factor _____.

F. Determine exposure factor _____.

G. Result = $W \times L \times H \times I = E/60$ Btu/hour = _____

Evaluation Criteria		Point Value	Points Earned
1.	Selected appropriate room to analyze		
2.	Obtained measurements for each item		
3.	Computed cooling capacity accurately		
Total Points			

Name: _____

FURNISHING AND MAINTAINING A HOME
UNIT VI

JOB SHEET 4--EVALUATE POWER TOOLS FOR LAWN AND GARDEN

I. Resource:

Local dealer of power lawn and garden equipment

II. Procedure:

1. Survey your local dealer of power tools to evaluate features by:

- a. Selecting a store in your community or in the surrounding area
- b. Asking permission of the dealer to conduct a brief summary of equipment
- c. Selecting two different brands of a power tool for lawn and garden
- d. Recording and comparing features of tools

2. Items about which to obtain information:

	<u>Brand A</u>	<u>Brand B</u>
a. Manufacturer's name		
b. Local dealer's name		
c. Cost of tool		
d. Insulation features		
e. Protection devices		
f. Safety features		
g. Clarity of directions for use		
h. Care instructions		

Evaluation Criteria		Point Value	Points Earned
1.	Followed appropriate procedures in selecting and surveying local deal (provided oral or written statement to verify this)		
2.	Selected two different brands of power tools		
3.	Recorded and compared features of tools		
4.	Provided appropriate, related information in each survey category		
5.	Presented organized information to other class members		
Total Points			

434

Name: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

JOB SHEET 5--ANALYZE RECREATIONAL COSTS

I. Materials:

Catalogs

II. Procedures:

1. Develop a categorized list of recreational equipment you currently own. Identify the categories of recreational equipment you have and the items you have under each category, see examples:

Ski Equipment

- a. Poles - 2
- b. Sweaters - 3
- c. Skies - 1 pair
- d. Gloves - 2 pair
- e. Ski pants - 3 pair

Reading

- a. Books - 25
- b. Reading lamp - 1
- c. Library card - 1
- d. Cushioned chair - 1

2. Survey catalogs and obtain the current prices of each piece of equipment.
3. Compute total costs of equipment in each category of recreation including those you participate in.
4. Analyze if equipment is used frequently and whether by family member other than yourself.
5. Total all recreational categories to obtain cost of your recreational activities.
6. Compare your costs with another class member and evaluate whether you feel your recreational costs are reasonable.

Evaluation Criteria	Point Value	Points Earned
1. Developed categorized list of recreation equipment		
2. Obtained prices of equipment		
3. Totaled costs in each category		
4. Analyzed frequency of use		
5. Compared costs with another class member		
6. Developed combined total cost of recreation		
Total Points		

Name: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

JOB SHEET 6--INVESTIGATE HOUSEHOLD SERVICES

I. Materials and resources:

Interview form

Community resource persons/agencies

II. Procedures:

1. As a group or individually select one of the following areas about which to collect information.

- | | |
|--------------------------|-------------------------|
| - Appliances | - Interior Improvements |
| - Utilities | - Exterior Improvements |
| - Housecleaning Services | - Remodeling |
| - Pest Control Services | - Yard/lawn upkeep |

2. Devise a set of questions to use when analyzing each service. Include questions such as:

- a. What are typical repairs or actions performed by your agency or service?
- b. What rates are charged for various services offered?
- c. What contracts, if any, are used by the agency?
- d. Are payment regulations established for services?
- e. How frequently are services performed?
- f. Other questions?

(NOTE: Some of the above questions may be appropriate for some services more than others. As a class, if two individuals or groups choose to survey a local utility, for example, a similar form should be used.)

3. Prepare a form on which to record responses.
4. Make contact with the agency representative and carry out the survey.

5. Summarize responses to your questions in written form.
6. Present your findings to the group.
7. As a total class, determine a resource person to bring into class who carries out these services individually.

(NOTE: Choose an individual representing a service that several groups/individuals chose to study.)

- a. Identify skills possessed enabling him/her to carry out care/repair.
 - b. Describe various activities performed such as remodeling living quarters, landscaping, painting-decorating and so forth.
 - c. Share expenses for these activities.
8. Compare surveyed service to individual activity by completing the following chart:

	Service	Individual
Cost _____		
Time to complete _____		
Contract(s) required _____		
Skills employed (list) _____		
Quality of work _____		

9. Discuss results orally with total class comparing and contrasting findings.

Evaluation Criteria	Point Value	Points Earned
1. Developed appropriate questions		
2. Contacted agency for interview		
3. Prepared written summary of information		
4. Used correct grammar and spelling		
5. Presented findings to the group		

Evaluation Criteria		Point Value	Points Earned
6.	Participated in selection of resource person		
7.	Asked question(s) of resource person		
8.	Participated in comparing results obtained from interview and resource person		
9.	Contributed to class discussion		
Total Points			

Name: _____
Point Value: _____
Points Earned: _____

FURNISHING AND MAINTAINING A HOME

UNIT VI

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|--------------------------|----------------------------|
| a. color spectrum | g. deck |
| b. player | h. durable goods |
| c. Btu | i. recorder |
| d. incandescent lighting | j. central processing unit |
| e. fluorescent lighting | k. software |
| f. operating system | |

- _____ 1. Appliances which may be used for a relatively long time.
- _____ 2. The portion of a computer where instructions are received, decoded, and carried out.
- _____ 3. A recorder/player without amplifier equipment (speakers).
- _____ 4. Programs that control the operation of the computer so the user may carry out activities.
- _____ 5. A machine that registers sounds or visual images in a permanent form (magnetic tape) to save and play back.
- _____ 6. The amount of heat required to raise the temperature of one pound of water one degree Fahrenheit.
- _____ 7. A luminescent light produced in a glass tube by the radiant energy of ultraviolet rays.
- _____ 8. The range of colors on a color wheel.
- _____ 9. Equipment used to play back sounds recorded on tape.
- _____ 10. A collection of programs that control the overall operations of a computer system.

- _____11. Light from a fine metal wire contained in a vacuum and heated by an electric current.

Part Two: Multiple Choice

Directions: For each of the following questions below, choose the one best answer by circling the letter of the correct statement.

12. The least expensive design tool is:
- a. Hand-me-downs
 - b. Used furniture
 - c. Personal or hobby items
 - d. Color
 - e. Fabric
13. What type of storage pieces would be best for a person who frequently is transferred from one job to another in several states?
- a. Filing cabinets
 - b. Portable, modular items
 - c. Adjustable shelving
 - d. Simple, plain pieces
 - e. Gaudily trimmed pieces
14. Which colors would you choose to make a small space seem larger?
- a. Cool colors
 - b. Intense hues
 - c. Warm colors
 - d. Complimentary colors
 - e. Multi-color
15. Which type of finish is the most difficult to remove?
- a. Paint
 - b. Oil
 - c. Gel
 - d. Enamel
 - e. Protective film
16. High traffic areas should be carpeted with:
- a. Casement fabric
 - b. Fiber mats
 - c. Low density pile
 - d. High density pile
 - e. Shag carpet

17. Which of the following statements correctly describes what the EER rating tells you about the cost of running an appliance?
- a. The higher the number, the more efficient the unit
 - b. The lower the number, the more efficient the unit
 - c. The higher the number, the greater the long term cost of maintaining the unit in efficient working condition
 - d. The lower the number, the greater the long term cost of maintaining the unit in efficient working condition
 - e. None of the above - the EER rating is a method of calculating Btu.
18. Which smoke detectors are recommended for homes?
- a. Photoelectric
 - b. Ionization
 - c. Sprinkler
 - d. Sprinkler and ionization
 - e. Photoelectric and ionization
19. How is the screen size of a television determined?
- a. Measure horizontally from side to side
 - b. Measure diagonally from corner to corner
 - c. Measure vertically from top to bottom
 - d. Measure the length of the perimeter
 - e. Multiply the width times the length
20. Which type of mower is safer, more effective, and more economical for a small yard space?
- a. Self-propelled mower
 - b. Power mower
 - c. Riding mower
 - d. Reel mower
 - e. Auto-ignition mower
21. For which of these services might a travel agent charge you?
- a. For providing you with travel information
 - b. For making long distance calls
 - c. For reticketing you if you lose your tickets
 - d. For all of the above
 - e. For b and c above
22. What type of parts found in newer appliances makes it easier for the consumer to repair his/her own appliance?
- a. Lasers
 - b. Modules
 - c. Microchips
 - d. Components
 - e. Solid-state circuitry

23. Most household cleaning is done by:
- a. Home owner/renter
 - b. Private maid
 - c. Custodial service
 - d. Itinerant workers
 - e. Robotic workers
24. A schedule for house cleaning should:
- a. Organize cleaning tasks
 - b. Fit lifestyle and responsibilities
 - c. Require frequent cleaning of all items
 - d. All of the above
 - e. A and B above
25. The best way to reduce household pests is to:
- a. Use pesticides frequently
 - b. Apply pesticides liberally
 - c. Maintain a clean environment
 - d. All of the above
 - e. A and B above
26. Important skills for household upkeep and maintenance include:
- a. Be willing to invest time and energy to develop necessary skills
 - b. Determine how frequently tasks must be carried out
 - c. Make use of schedules
 - d. All of the above
 - e. A and B above

Part Three: Matching

Directions: Match the type of lighting to the statement(s) describing it by writing the letter in the space provided.

- | | |
|----------------|-----------------|
| a. Fluorescent | b. Incandescent |
|----------------|-----------------|
- ____ 27. The most frequently used type of lighting
- ____ 28. Produces more heat than light
- ____ 29. Tends to distort colors

Part Four: Check the Correct Statements

Directions: Place a checkmark beside each statement which correctly describes procedures to follow when contracting for household services.

- ____ 30. Use the advice of neighbors to select the service you will employ.
- ____ 31. When possible, remain on the premises to supervise work.
- ____ 32. Make sure the company is licensed and bonded.
- ____ 33. Use your home insurance policy to cover worker accidents.
- ____ 34. High pressure sales tactics indicate that workers are eager and highly motivated to do the job.
- ____ 35. Make sure the contractor will back up the completed work.
- ____ 36. Have all materials and labor identified in the contract.
- ____ 37. Be sure the contractor guarantees payment to all workers.
- ____ 38. Find out about cancellation penalties.
- ____ 39. Do not sign a contract unless all your questions have been answered satisfactorily.
- ____ 40. Do not sign a contract that contains blank spaces, even if the contractor promises to fill them in later.

Part Five: Short Answer

Directions: Write your answer to each of the following questions.

41. What are two questions you should ask yourself before purchasing accessories?

- 1. _____
- 2. _____

42. Compute the service of the following appliance:

Appliance: Space heater
Cost: \$65
Expected life: 15 years

Compute the amount the appliance costs per year: _____

43. What type of fire extinguisher is needed for most homes?

44. Explain when a freezer is a good investment for a family.

45. If you have no picture on your television set, what are two steps to take before calling a service person?

a. _____

b. _____

46. List three safety procedures to follow when using a power mower.

a. _____

b. _____

c. _____

47. Explain why a recreational vehicle is not very economical to purchase. Give at least two reasons.

a. _____

b. _____

48. Identify three features to avoid when selecting toys for any age child.

a. _____

b. _____

c. _____

49. Identify two places an individual can go to obtain skill in simple home repair and care.

a. _____

b. _____

50. To prevent pests from infesting a home, suggest three strategies you should follow.

a. _____

b. _____

c. _____

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

51. Match terms to color pointers (Assignment Sheet 1).

52. Make home decorating decisions (Assignment Sheet 2).

53. Solve appliance math problems (Assignment Sheet 3).

54. Complete lawn care puzzle (Assignment Sheet 4).

55. Select household accessories and furnishings (Job Sheet 1).

56. Calculate cooling capacity needs (Job Sheet 2).

57. Evaluate available appliances (Job Sheet 3).

58. Evaluate power tools for lawn and garden (Job Sheet 4).

59. Analyze recreational costs (Job Sheet 5).

60. Investigate household services (Job Sheet 6).

FURNISHING AND MAINTAINING A HOME

UNIT VI

ANSWERS TO TEST

Part One

- | | |
|------|-------|
| 1. h | 7. e |
| 2. j | 8. a |
| 3. g | 9. b |
| 4. k | 10. f |
| 5. i | 11. d |
| 6. c | |

Part Two

- | | |
|-------|-------|
| 12. d | 20. d |
| 13. b | 21. e |
| 14. a | 22. b |
| 15. a | 23. a |
| 16. c | 24. e |
| 17. a | 25. c |
| 18. e | 26. d |
| 19. b | |

Part Three

27. b
28. b
29. a

Part Four

The correct (checked) statements are: 31, 32, 35, 36, 37, 38, 39, 40.

Part Five

41. Any two of the following:
Does it meet a need?
What is the object's purpose?
How does the object perform?
Can it be used effectively and efficiently?
Is it designed for the human hand or shaped to easily lift or move?
Does it serve its purpose?
Will the materials it is made of withstand usage?
Is it aesthetically pleasing?
Is its size appropriate for the setting?
42. 4.33
43. ABC combination extinguisher
44. If the family will be storing a lot of food

45. Any two of the following:
Be sure the set is plugged in.
Be sure antenna wires are securely fastened.
Push the circuit-breaker on the back of the set.
Turn up the brightness control knob.
Switch stations.
See the owner's manual for instructions.
46. Any three of the following in any order:
Be sure the mower meets safety standards.
Do not mow wet grass.
Remove object (sticks, wire, cans) from lawn before mowing.
Keep children and pets away from mowers.
Cool down engine if you need to refuel (avoid igniting gasoline).
Wear sturdy shoes when mowing grass.
Keep hands and feet out of the way of mower blades.
47. Any two of the following:
They are idle for long periods because they are usually not appropriate as a second car.
They lose about 25 percent of their value the first year.
It may be more expensive to use a an RV while vacationing than to stay in hotel/motel accommodations.
48. Any three of the following in any order:
Poorly constructed, easily breakable toys
Toys with sharp or rough parts
Broken toys
Toys that include poisonous substances (such as paints) or poisonous plants
Poorly balanced riding toys
Poorly constructed sports equipment
Riding toys and sports equipment that are inappropriate for child's size and physical development
Poorly maintained riding toys and sports equipment
Flammable toys or costumes
Costumes that obstruct vision or are long enough to trip child
Electrical toys run on household current
Kites made of electrically conductible material
Toys with loud noises (hazard to ears/hearing)
Shooting toys (hazard to the eyes!)
Darts with sharp points
Fireworks
49. Any two of the following:
Bookstores (or library)
Home maintenance manuals
Adult education classes

50. Any three of the following:
Maintain a clean environment.
Seal cracks around windows, doors, or other open areas.
Remove trash and other refuse daily.
Keep all living areas clean.
Use pesticides only when necessary.
If necessary, hire a professional exterminator.

51-54. See Answers to Assignment Sheets

55-60. Evaluated to the satisfaction of the teacher in accordance with evaluation criteria on the Job Sheets

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to arrange for professional services by selecting an attorney, child care services, health care services, and funeral and burial services available in the local area. Competencies will be demonstrated by correctly performing the procedures outlined in Assignment and Job Sheets and achieving an overall score of at least 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

1. Based on the content outline, MATCH TERMS RELATED TO PROFESSIONAL SERVICES WITH THE CORRECT DEFINITIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline and Transparency Master 1, DEMONSTRATE ABILITY TO SELECT AN ATTORNEY by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2.
3. Based on the content outline and Handout 1, DESCRIBE THE PROCEDURE FOR USING A SMALL CLAIMS COURT by attaining 100 percent accuracy on the unit Test and/or completing Assignment Sheet 3 or Job Sheet 1.
4. Based on the content outline and Transparency Master 2, DEMONSTRATE ABILITY TO SELECT CHILD CARE SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 4, 5, or Job Sheet 1.
5. Based on the content outline, Transparency Masters 3, 4, 5, and Handout 2, DEMONSTRATE ABILITY TO SELECT HEALTH CARE SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5 or Job Sheet 1.
6. Based on the content outline, DEMONSTRATE ABILITY TO SELECT FUNERAL AND BURIAL SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5 or Job Sheet 1.

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.

- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Bring in resource personnel and ask them to share information about the service they offer.
3. Bring up other professional services and ask students to generate criteria for selecting competent professionals.
4. Survey persons who were not satisfied with the services they used and create a list of their concerns.
5. Prepare a newsletter for faculty, staff and parents informing them of procedures to follow when selecting services.

- I. Give test.

- J. Evaluate test.
- K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 - 1. TM-1--Questions to Ask Before Retaining an Attorney
 - 2. TM-2--Federal Guidelines For Quality Day Care
 - 3. TM-3--Selecting a Personal Physician--Questions of Concern
 - 4. TM-4--Selecting a Dentist--Questions of Concern
 - 5. TM-5--Characteristics of Accredited Hospitals
- E. Handouts
 - 1. Handout 1--Using a Small Claims Court
 - 2. Handout 2--Questions to Ask Your Prospective Physician
- F. Assignment sheets
 - 1. Assignment Sheet 1--Complete Professional Services Terms Puzzle
 - 2. Assignment Sheet 2--Describe How to Obtain Legal Services
 - 3. Assignment Sheet 3--Use a Small Claims Court
 - 4. Assignment Sheet 4--Describe Day Care Needs
 - 5. Assignment Sheet 5--Select Professional Services
- G. Answers to Assignment Sheets
- H. Job Sheet
 - 1. Job Sheet 1--Survey Professional Services
- I. Unit Test
- J. Answers to Test

REFERENCES USED IN DEVELOPING THIS UNIT

- A. Auerback, S. Choosing Child Care: A Guide For Parents. San Francisco: E.P. Dutton, 1982.

- B. The Better Business Bureau. Guide to Wise Buying. New York: Barnes & Noble Books, 1980.
- C. Cornacchia, Harold J. and Stephen Barrett, Consumer Health. St. Louis, MO: C. V. Mosby Company, 1980.
- E. Engsley, R. C. and M.R. Bradbard. Quality Day Care: A Handbook of Choice for Parents and Caregivers. Englewood Cliffs, NJ: Prentice-Hall, 1981.
- F. Good, James D. Law for Everyday Living. Curriculum Guide. Columbia, MO: Instructional Materials Laboratory, University of Missouri-Columbia.
- G. "How to Choose a Good Early Childhood Program," Young Children, 39 No. 1, 23-82, 1983.
- H. Lut, Don R. and Joann Driggers. Economic Decisions for Consumers. Belmont, CA: Wadsworth Publishing Co, 1983.
- I. McGowan, Daniel A. Consumer Economics. Boston: Allyn and Bacon, Incorporated, 1984.
- J. Miller, Roger Leroy. Economic Issues for Consumers. St. Paul, MN: West Publishing Company, 1984.
- K. Mitchell, G. The Day Care Book: A Guide For Working Parents to Help Them Find the Best Possible Day Care for Their Children. Briarcliff, NJ: Stein and Day, Scarborough House, 1979.

HELPFUL RESOURCES FOR TEACHERS

- A. Answers: A Practical Survival Kit to Help You Organize Your Personal and Financial Matters, Becky Barker, Harper and Row, 10 East 53rd Street, New York, NY 10022, n.d.
- B. Handbook of Everyday Law, Martin J. Ross and Jeffry Steven Ross, Fawcett-Crest-Random House, 201 East 50th Street, New York, NY 10022, 1982.
- C. The Lawyer Book: A Nuts and Bolts Guide to Client Survival, Wesley J. Smith, with an introduction by Ralph Nader, Price/Stern/Sloan Publishers, Inc., 360 North La Cienega Boulevard, Los Angeles, CA 90048, 1987.

Arranging for Professional Services Unit VII

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1-10	
G.1.	2	TM 1		AS 2		23-26, 29-32	SSXM3
G.1.	3		HO 1	AS 3	JS 1	27, 28, 29	SSXM3
G.2.	4	TM 2		AS 4, 5	JS 1	11-16	SSIXO3; SSXM3
G.3.**	5	TM 3, 4, 5	HO 2	AS 5	JS 1	17-20	SSIXO3; SSXM3, LIXC11
G.4.	6			AS 5	JS 1	21, 22	SSXM3

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*Prerequisite Knowledge

**See also Unit III

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1; AS 1]

- A. Accreditation--certification that an agency follows standards of quality as established by an outside board or agency.
- B. Clerk of the court--one who keeps records, correspondence or accounts for the court.
- C. Contingency basis--an agreement between a lawyer and a client providing that the amount of the legal fee will depend on the outcome of the case.
- D. Cremation--burning the (dead) body and its container in a specially designed oven, leaving ashes which can be buried or scattered.
- E. Day care center--a setting in which preschool age children are cared for; usually has several staff members and a planned learning program.
- F. Defendant--person(s) or business being sued or accused in a court of law.
- G. Embalm--a process of treating a (dead) body to prevent rapid decay.
- H. Filing fee--the cost of placing a claim on record.
- I. Funeral--a ceremony which honors the person who has died and allows people to express concern and support for the survivors.
- J. Hearing--a court session where witnesses are heard and testimony taken before a judge or court referee (not an actual formal trial).
- K. Hospice--a facility which provides a homelike setting and supportive care for terminally ill individuals.
- L. Inpatient--an individual who stays in a hospital or clinic while receiving medical treatment.
- M. Latchkey child--a child who is at home alone after school while his/her parents are at work.

(NOTE: These children often return home from school alone and let themselves into the house with their own keys, hence the name "latchkey" child.)

- N. Legal clinic--offices where, for a modest fee, routine legal services are provided by attorneys with the help of law students and paralegals.
- O. Nursery school--a school for children, usually under five years of age, which offers a planned educational program.
- P. Primary care giver--the person who spends the most time with the child.
- Q. Outpatient--an individual who receives health care services without being admitted to the health-care facility for an extended stay.
- R. Plaintiff--the complainant, the person or business that brings suit against the defendant(s) in a court of law.
- S. Prepaid legal plan--a form of insurance which may be available through an employer and which covers the consumer's needs for information concerning wills, divorce or debt, among other services.
- T. Small claims court--a legal channel used for complaints involving small amounts of money.
- U. Suit--court action to secure justice, recover a legal right or claim.
- V. Summons--an official order to appear in court to answer to a charge within a specified time.
- W. Testimony--oral or written presentation of evidence given under oath.
- X. Witness--a person who gives evidence in court.
- Y. Writ of execution--an order issued by a court commanding that an action be taken.

II. Select an attorney.

[Objective 2; TM 1; AS 2]

- A. Choose an attorney before his/her services are required so that there is no pressure to make a hasty decision. This will provide time for interviewing several attorneys in order to compare rates and services.

B. Times when a lawyer may be needed:

1. When buying or selling real estate
2. When planning a will and estate
3. When preparing taxes
4. When buying investment property or a business
5. When a suit is filed. A few of the many reasons for filing a suit include:
 - a. A complaint about a consumer product
 - b. Fraud
 - c. An unacceptable standard of workmanship or incomplete job
 - d. A divorce or legal separation
 - e. An accident involving bodily injury

C. To locate and select an attorney:

1. Contact the local law association referral service.
2. Ask friends, relatives and work associates for their advice and experiences.

D. Questions to ask before retaining an attorney:

1. How long will the job take?
(NOTE: Be sure to obtain an estimate of the number of hours it will take to perform a specific service.)
2. Who pays the court costs?
3. What is the fee for the job or percentage of the award that goes to the attorney?
(NOTE: It is often less expensive to hire an attorney by the hour than by the job.)
4. What if we lose?
5. Is there another way to solve/settle this problem?

E. A consumer who believes that his/her attorney is not working effectively on his/her behalf should not be afraid to change lawyers.

F. Use small claims court.

[Objective 3; HO 1; AS 3; JS 1]

1. Because attorney's fees and filing charges for court cases are very high, many consumers cannot afford them.
2. Small claims courts were devised so that consumers could solve their problems less expensively and more quickly.
3. The plaintiff and the defendant present their opposing views to a judge who makes a decision. No lawyers are involved.

4. The top monetary limit for a claim is set by each state. It is generally between \$1,000 and \$500.
(NOTE: In Missouri the limit is \$500).
5. Limitations and cautions about small claims court:
 - a. Using the small claims court may consume many hours and may require time away from work.
 - b. The defendant can have the case moved to a civil court where an attorney is necessary, thus increasing costs.
 - c. Some court costs will be assessed.
 - d. The court does not enforce monetary awards and it may be necessary to sue in civil court to collect.
 - 1) If non-payment can be shown, the plaintiff may obtain a "writ of execution," which is applied to the defendant's wages, bank account or property.
 - 2) The "writ" may be ineffective if the defendant has no funds, but it stays on the record. If the defendant acquires assets at a later time, the plaintiff can activate the writ and again attempt to secure payment.
6. There are several steps in the small claims process.
 - a. Preparations:
 - 1) Identify the defendant.
(NOTE: Be sure the name of the person(s) or business is specified accurately or the case may be thrown out.)
 - 2) Send a letter to the defendant stating the claim.
 - b. Filing a claim:
 - 1) Locate the court (check local telephone directory).
 - 2) State the claim including the defendant's full name and address, the plaintiff's full name and address, a description of the problem, and the dollar amount of claim.
 - 3) Pay filing and summons fee.
 - 4) Schedule a hearing with the clerk of the court.
 - c. Organize the evidence and be sure that witnesses are available and willing to testify.
 - d. If the claim is settled out of court:
 - 1) Prepare a document giving the terms of the settlement. Provide places for both the defendant and the plaintiff to sign and date the document.

(NOTE: Be sure that all terms of the settlement are specified. Only what is in the agreement is binding.)

- 2) Both parties should keep copies of the document.
- e. Court presentation:
 - 1) The plaintiff, the defendant, and all witnesses will be sworn to tell the truth.
 - 2) Both parties present their case to the judge.
 - 3) Each party may challenge the evidence presented by the other side.
 - 4) The judge may make an immediate decision or the decision may be sent in the mail.
- f. Default occurs when:
 - 1) The plaintiff or the defendant fails to appear.
 - 2) The judge makes a decision in favor of the plaintiff immediately after the plaintiff gives his/her evidence.
- g. Remember: Even after the case is settled, it may be difficult to collect the award.

G. Law clinics

1. Clinics developed following two important legal decisions:
 - a. In 1975, the Supreme Court ruled that lawyers could not dictate minimum fees.
 - b. In 1977, lawyers were guaranteed the right to advertise.
(NOTE: Both of these rulings have helped to reduce the cost of using a lawyer and to make lawyers more consumer oriented.)
2. A clinic is a group of several lawyers who offer services to large numbers of customers.
3. Clinics are used mainly for cases that do not require extensive court time.

H. Prepaid legal plans.

1. Such plans are offered through employers, unions, credit unions, schools and other organizations.
2. Families pay a monthly fee for such services.
(NOTE: Information on legal plans and clinics is available from: American Prepaid Legal Services Institute, 1155 E. 60th Street, Chicago, Illinois 60637, or the National Resource Center for Consumers of Legal Services, 1302 18th Street, N.W., Washington, D.C. 20036.)

I. The phone directory lists telephone legal services.

1. To use this free service, you must meet certain income requirements, be unemployed, be on Social Security or be disabled.
2. Families can receive legal advice through federal, state or locally funded programs.
3. Offices can handle credit problems, utility problems, family problems, and rental problems.

III. Select child care services.

[Objective 4; TM 2; AS 4, 5; JS 1]

A. The need for adequate day care services is extensive. According to 1980 Census statistics:

1. There are about 1.8 million "latchkey children."
2. Millions of children, age 3 to 13 receive primary care from working mothers.
3. The greatest need for day care services appears to be for infant and after-school care.

B. Families who need day care services include.

1. Working families with children, including single parent families
 - a. Forty-two percent of women with children under the age of three are working.
 - b. Fifty-four percent of women with children between the ages of three and five are working.
2. Families with new infants, including single parent families
 - a. Only limited services are available.
 - b. Costs at this age level are high due to the greater care needed.
 - c. Pressures exist to establish more services at this age level because of the large number of working mothers.
3. Families with children where the adults are seeking employment
(NOTE: Parents in job training programs often must leave such programs because they cannot find day care services at low enough cost.)
4. Low-income families with children
(NOTE: About four million children, age 13 and under with mothers who do not work, live in families with incomes at or below the poverty level.)
5. Teenage mothers
(NOTE: More than 500,000 infants are born to teenage mothers each year. Many of these mothers do not complete high school and therefore greatly

reduce their chances of obtaining self-supporting jobs.)

6. Families with special needs children
 - a. About 500,000 children under age six are handicapped
 - b. Parents with special needs children typically must work to afford the high costs of care.
 - c. Public Law 94-142 (Education for All Handicapped Children Act) provides funds to states for services to handicapped preschoolers.
7. Families where a child is abused or neglected
(NOTE: Day care services available to such families enables the child to be away from the abusive situation for an extended time.)
8. Families with emergencies
 - a. If parents are in an accident or hospitalized, few 24 hour child care settings are available.
 - b. In some cases, children are placed in foster care which is more costly and is extremely stressful to the child.

C. Types of child care services

1. In-home child care by a parent
 - a. Frequently it is difficult for an adult to remain at home unless the family goes on welfare.
 - b. Policies that could support child care by a parent include:
 - 1) Paid leave-of-absence from work
(NOTE: Frequently employers cannot guarantee a position for an employee on leave for an extended time.)
 - 2) Insured leave-of-absence from work
(NOTE: Unemployment insurance might be used in this way.)
 - 3) Home based work
(NOTE: Few home-based work opportunities provide enough income to maintain the family adequately.)
 - 4) Flexible working hours
 - 5) A shorter work day
 - 6) Part-time work options with better salaries
 - 7) Tax deductions or credits for in-home child care
 - c. Out-of-home child care
 - 1) Family day care:
 - a) Usually an informal agreement among two or more families
 - b) Tends to be less expensive than formal day care

- c) Usually provides flexible, individualized care
- d) Most such settings are not licensed or regulated by any outside authority.
- e) Training of workers in these settings is often nonexistent.
- f) Setting may lack equipment of a well-run center.
- 2) Home centered day care services
 - a) Provide a family-like setting for a small number of children
 - b) Regulated by state law in many states
 - c) Small size limits the services and equipment available.
- 3) Center based day care
 - a) Space, facilities and staff may be more adequate than in family based centers.
 - b) Programs can offer educational activities.
 - c) Health standards can be more effectively observed.
 - d) Centers are more costly to organize, staff, and run than family centered care.
 - e) Hours are often set to accommodate working parents.
- 4) Nursery school (preschool) programs
 - a) Strive to promote cognitive, social and emotional development
 - b) Hours are often set to accommodate working parents.

F. Standards of quality licensed day care

- 1. State law usually requires that group care facilities be licensed.
 - 2. Licensing is designed to protect the health and safety of those who use the facilities.
 - 3. License standards specify space requirements, safety standards, nutritional requirements, and adult-child ratios.
- (NOTE: The Missouri Division of Family Services is responsible for licensing day-care homes and centers that care for more than four children who are not related to the provider.)

G. Points to consider when choosing day care:

- 1. Look for the license and be sure it is current. It should be conspicuously displayed.

2. A good daycare facility welcomes visits from parents. Visit several before making a final choice.
3. There are many different approaches to child education. Choose one that will be comfortable for your child based on his/her age, personality, and previous experiences.
4. When you visit a daycare center, consider:
 - a. The people: Do the staff members seem to care about the children?
 - b. The surroundings: Does it look like a place where children come first?
 - c. The children: Do they seem happy, busy and interested in their play?
 - d. The details: Are parents encouraged to ask questions? Are they told they may drop in anytime?
5. Indications that there is a serious problem and the day care placement should be reviewed:
 - a. The child continues crying each day when taken to the provider, or cries in anticipation.
 - b. The child begins waking up at night, starts having "accidents," loses his/her appetite, and/or shows little enthusiasm for playing.
 - c. The child seems generally unhappy and shows evidence of withdrawing from attention.
 - d. The child becomes very belligerent, abusive, and/or destructive.

IV. Select health care services.

[Objective 5; TM 3, 4, 5; HO 2; AS 4; JS 1]

A. Select a primary care physician.

1. Types of primary care physicians:
 - a. Medical doctor (M.D.)--completes four years of training at an accredited school.
 - b. General practitioner--physician who takes care of overall health needs himself.
 - c. Family practitioner--physician in the specialty of generalists called family practice; takes care of overall health needs.
 - d. Internist physician--has postgraduate training in the broad field of internal medicine; includes all areas except surgery, obstetrics, pediatrics.
 - e. Pediatrician--physician who cares for children.
 - f. Osteopathic physician (D.O.)--a medical doctor who specializes in diagnostic and therapeutic methods applied to the musculoskeletal system.

2. Obtain names of physicians to choose from.
 - a. Referral by previous physician
 - b. Referral by friends and relatives
 - c. Referral by hospital
 - d. Medical school recommendations
 - e. County Medical Society
 - f. Yellow pages
 - g. Comprehensive medical services plan
3. Questions of concern before choosing a physician.
 - a. What are his/her qualifications?
 - b. Is he/she Board certified or Board eligible?
 - c. What are his/her fees?
 - d. With what hospitals is he/she affiliated?
 - e. How are X-rays and laboratory tests handled?
 - f. What is his/her attitude toward house calls?
 - g. How are telephone inquiries handled?
 - h. How is the office staffed?
 - 1) Medical Assistants?
 - 2) Physician's Assistants?
 - 3) Registered Nurses?
 - 4) Laboratory Technicians?
 - 5) Someone to process insurance forms?
4. Talk with the prospective physician to determine whether you will be satisfied and comfortable with his/her approach and personality and to find out how the office works.
 - a. Is he/she friendly and courteous, and do you feel comfortable with him as a person?
 - b. Does he/she spend sufficient time with you, or does he/she have an overload of patients?
 - c. Does he/she schedule appointments realistically, so that you do not spend hours in his/her waiting room?
 - d. Would you be comfortable about calling in another doctor for consultation if you were not satisfied with his/her recommendations?
 - e. Is he/she careful in prescribing only what drugs you absolutely need, or does he/she write prescriptions indiscriminately?
 - f. Will he/she be available in an emergency situation? If not, who would be provided as an adequate substitute?

B. Select a dentist.

1. Dentists and dental specialties:
 - a. Dentist (D.D.S., Doctor of Dental Surgery, or D.M.D., Doctor of Dental Medicine)--a general practitioner who should be prevention oriented. He/she gives annual or semi-annual examinations; removes tooth decay and fills cavities; and works to save teeth.

- b. The American Dental Association recognizes several specialty areas. Five of the most common are:
 - 1) Orthodontics--The correction of poorly positioned teeth and of defects of the jaw. Prescribes and fits braces to teeth.
 - 2) Periodontics--Treatment of diseases of the supporting tissues of the teeth--the gums.
 - 3) Endodontics--Treatment of diseases of the inner portion of the tooth--the nerve or pulp.
 - 4) Prosthodontics--Preparation of dentures.
 - 5) Oral and maxillofacial surgery--surgical removal of teeth, surgery of the jaw structure.
- 2. Choosing your dentist
 - a. Obtain names of General Practitioners from which to choose.
 - 1) If you are moving, ask your present dentist to recommend someone in the new area.
 - 2) Ask another medical specialist for suggestions.
 - 3) For children, ask at local preschools and nursery schools.
 - 4) Ask friends and neighbors.
 - 5) Ask for recommendations from local hospitals and neighborhood health centers.
 - 6) Ask the nearest dental school for names of faculty members practicing in your area.
(NOTE: For the name of the nearest dental school, write to the American Dental Association, 211 East Chicago Avenue, Chicago, Illinois 60611)
 - 7) Check the yellow pages
- 3. Select a qualified dentist to meet your needs.
 - a. "Go shopping" to get information of the following type:
 - 1) Is he/she conveniently located?
 - 2) What are the office hours? Do they fit your needs?
 - 3) How long do you have to wait for an appointment?
 - 4) How is emergency care provided?
 - 5) Is the office clean, neat, well equipped, efficient?
 - 6) Are auxiliary personnel like hygienists, dental assistants, and laboratory technicians used?

- 7) What are the fees? Will he/she give a written estimate of fees before treatment and itemized bills after treatment?
- b. Keep the following questions in mind when you go for your first visit to a new dentist.
- 1) Does he/she take a thorough medical and dental history? Some medical conditions may require the dentist to take special precautions.
 - 2) How thoroughly does he/she examine your teeth and entire oral cavity. A full set of X-rays is usually not needed more often than every four or five years. The "bitewings"--two to four x-rays on the sides-- may be used in the interim.
 - 3) Does he/she keep you informed about the exact condition of your mouth and teeth? Does he/she explain the various treatment alternatives and give you a part in making the decision about which alternative should be followed?
 - 4) Does he/she provide information on ways to prevent dental disease and teeth problems and make every effort to save teeth?
 - 5) Does he/she use effective techniques to reduce pain? Local anesthetics and the use of high-speed drills, ultrasonic cleaning and electrosurgery for removing tissue should keep dental pain to a minimum.
 - 6) Is there suddenly more work to be done in your mouth than your previous dentist could find? Consult another dentist if you suspect that you are being overtreated.
 - 7) If you have dental insurance, will you have to pay the bill yourself and be reimbursed or will the dentist submit the bill to the insurance company directly?

c. Select other health care professionals.

1. Ophthalmologist--a medical doctor who specializes in the structure, functions and diseases of the eye. He/she is licensed to measure how well one sees, to prescribe glasses, to treat diseases of the eye, and perform eye surgery.
2. Optometrist--a professional who is licensed to examine the eye and prescribes glasses, but who may not prescribe medicine, perform surgery, or treat diseases of the eye.

3. Optician--a craftsperson skilled in the grinding of lenses according to the prescription of the ophthalmologist or optometrist and in setting these lenses properly in frames.
4. Registered nurses--professionals who care for the sick, injured or aged and assist physicians; they have two, three or four years of education and must pass a state examination for a license.
5. Pharmacist--professional who prepares and dispenses drugs and medicines; a pharmacist completes five or more years of education and is licensed to practice.
(NOTE: For more information on eye care and on medications see Unit III.)

D. Select mental health services.

1. Selecting an appropriate professional involves determining:
 - a. The type of help needed
 - b. Which professional can provide the help
 - c. What services are available in the area
 - d. What can be afforded
2. Be sure to check the training and background of the health professional
3. Many communities have mental health clinics which charge on the basis of ability to pay. for those unable to afford the services of private professionals.
4. Many self help groups are available for people with mental health concerns. A few of these are:
 - a. Alcoholics Anonymous--for people with alcohol and drug problems
 - b. Al-Anon--for the families of people with alcohol and drug problems
 - c. Recovery Incorporated--for people with mental illness problems.
 - d. Rape crisis centers--for victims of sexual abuse and crimes.
5. Hospitalization of mentally ill patients is recommended when:
 - a. An individual is judged dangerous to him/herself and/or others
 - b. An individual cannot care for him/herself
 - c. A needed special treatment is only available at a hospital.

E. Select hospital services.

1. Types of hospitals include general medical-surgical hospitals which deal with a variety of health concerns and specialty hospitals which treat specific conditions, i.e., mental illness, cancer.

2. Hospitals must be licensed to operate and accredited by the Joint Commission on Accreditation of hospitals.

F. Select a nursing home.

1. Various nursing homes provide diverse levels of care.
 - a. Twenty-four hour skilled care facilities
 - b. Intermediate care facilities
(NOTE: Attendance by nurses is reduced in this facility and more extensive in the twenty-four hour care facility.)
2. All nursing homes must be licensed.
3. The quality of care varies from one nursing home facility to another.
 - a. Visit the home to determine the care level offered and the quality of care available.
 - b. Check with friends, clergy or co-workers to get opinions of available homes.
 - c. Obtain complete information on fees and services.
 - d. Be careful of choosing a home which requires the elderly person to sign over all of his/her assets.
(NOTE: Such an arrangement commits the elderly person to a facility which may or may not provide the best care.)
4. Alternatives to nursing home care
 - a. In-home health care. It requires support services such as:
 - 1) Visiting nurses, social workers or other health aides
 - 2) Telephone networks of elderly persons who check on one another's status daily
 - 3) Day care centers for the elderly who return to their homes in the evening
 - 4) Meals-on-Wheels or other meal services
 - 5) Household care services such as house cleaning, grocery shopping, exterior yard and home maintenance
 - b. A hospice (For the elderly or terminally ill.)
 - 1) Individuals are allowed to die without extensive measures to prolong life.
 - 2) Family members can be trained to care for the elderly person or can place the person in a specific facility.
 - 3) Persons skilled in working with the dying are employed in the facility.
 - 4) The individuals remaining time is made as pleasant as possible.

c. Free clinics

- 1) Free clinics are generally found in large communities only.
- 2) Provide services free of charge
- 3) May be used by anyone in need of health care
- 4) Originally established for use by young people who had "dropped out" of society and who had drug or alcohol related problems.

(NOTE: Now these clinics are most commonly used by the poor, the jobless, and the undereducated.)

V. Select funeral and burial services.

[Objective 6; AS 5; JS 1]

- A. A funeral is a ceremony which honors the person who has died and allows people to express concern and support for the survivors. It helps people prepare to say a final good-bye to the person who has died.
- B. Because people do not like to discuss funerals and funeral costs, many consumers do not have practical information when they need to make arrangements following a death.
- C. States do not require that caskets be purchased for burial, but cemeteries and funeral homes have policies that bodies be placed in a suitable container.
- D. The casket is usually the most costly item in a funeral although caskets are available in a wide range of styles and prices.
(NOTE: Cost of casket may include total cost of funeral.)
- E. Embalming the body is not required before burial, except when death was the result of a contagious disease or the body is to be shipped between states.
(NOTE: Not all states have even these requirements. Other countries do not routinely use embalming procedures.)
- F. Some cemeteries require that coffins be incased in an outer covering to prevent the ground from sinking in as the coffin disintegrates.
(NOTE: Consumers are being asked to pay for grounds maintenance when more dirt could simply be applied to the area to keep it level. State laws do not require a container or special liner to prevent coffins from deteriorating after burial.)

- G. Individuals who have a preference, should inform their family and/or friends of the type of funeral arrangements they prefer.
- H. An individual may wish to donate his/her body to medical science.
(NOTE: After the body has been used for this purpose, it is cremated and friends or relatives can then make appropriate arrangements.)
- I. The need for donor organs is critical. Body parts may be donated to help others.
(NOTE: It is imperative for individuals to tell attorneys, family or friends of their desires regarding donation to be sure that the wishes will be carried out. Many states provide "donor cards" on the back of driver's licenses.)
- J. Cremation is a less expensive alternative.
 - a. Cremation is less expensive than burial.
 - b. Cremation does not require an expensive casket, but state law may require a container for the ashes.
- K. Steps to take in preparing for a funeral
 - a. Notify friends and relatives.
 - b. Find out what kinds of funeral arrangements the deceased desired.
 - c. Obtain the name of a funeral director and clergy representative who will assist with arrangements.
 - d. Contact and provide the local newspapers with an obituary notice.
(NOTE: There is often a charge for placing an obituary notice in local papers. Be sure to ask before making a final decision about the notice.)
 - e. Make arrangements with the cemetery for burial or cremation.
 - f. File life insurance claims and notify the banks, social security office, utility companies, co-workers and others that need to be informed of the death.

Questions to Ask Before Retaining an Attorney



- How long will the job take?
- Who pays the court costs?
- What is the fee (or percentage of award) that goes to the attorney?
- What if we lose?
- Is there another way to resolve the problem?

Federal Guidelines for Quality Day Care



- Program enrollees should have medical and dental checkups.
- Educational activities should be offered under the direction of qualified staff.
- Program should provide for social skills.
- Program should provide nutrition services.
- Advisory boards, of which parents are members, should be used.
- Guidelines for the number of students per staff should be followed.
- Continuous staff training should be provided.

Selecting a Personal Physician

Questions of Concern



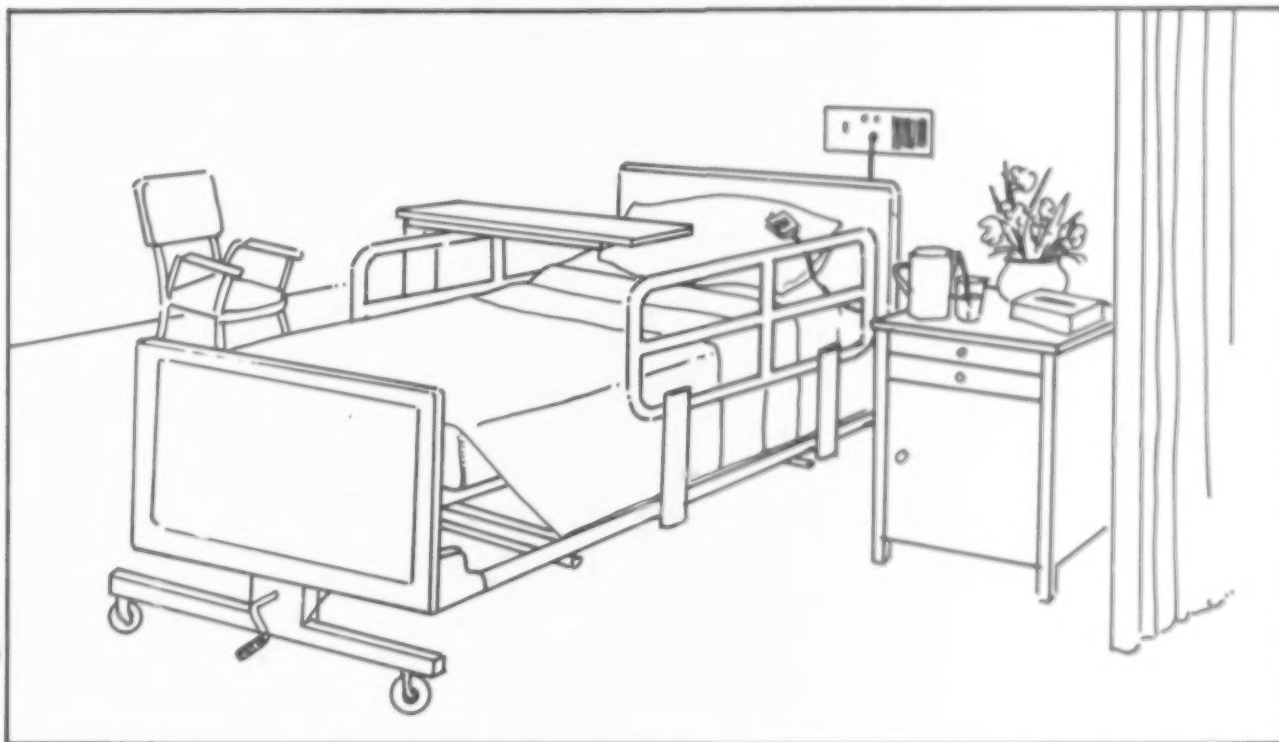
- What are the physician's qualifications?
Board-certified or Board-eligible?
- What are the physician's fees?
- With what hospitals is the physician affiliated?
- How are x-rays and laboratory tests handled?
- What is the physician's attitude toward house calls?
- How are telephone inquiries handled?
- How is the office staffed?
 - Medical Assistants?
 - Physician's Assistants?
 - Registered Nurses?
 - Laboratory Technicians?
 - Someone to process insurance forms?

Selecting a Dentist



- Is the office conveniently located?
- What are the office hours? Do they fit your needs?
- How long do you have to wait for an appointment?
- How does the dentist provide care in an emergency?
- Is the office clean, neat, well equipped, and efficient?
- Does the dentist use auxiliary personnel like hygienists, dental assistants, and laboratory technicians?
- What are the dental fees? Will you be given a written estimate of fees before treatment and itemized bills after treatment?
- If you have dental insurance, will you have to pay the bill yourself and be reimbursed or will the dentist bill the insurance company?

Characteristics of Accredited Hospitals



Characteristics:

- Clean and safe
- Prevents and controls infection
- Safeguards personal records
- Mothers/infants separated from other departments to control infection
- Competent, experienced physicians and staff
- Continually reviews its own quality

Length of Accreditation

- 1 - 2 years

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USING A SMALL CLAIMS COURT

- A. Preparation:
1. Identify the defendant
(NOTE: Be sure the name of the business is accurate or the case may be thrown out of court.)
 2. Send a letter to the defendant stating your claim.
(NOTE: Include information such as the reasons for the claim, the dollar amount and when you expect a response. State that you will go to court if you receive no answer. Use certified mail so that you have a receipt verifying your letter was received.)
- B. Filing a Claim
1. Locate the court (check local telephone directory)
 2. State your claim giving such information as:
 - A. Defendant's name/address
 - B. Your home/address
 - C. Description of problem
 - D. Dollar amount of claim
 3. Pay filing and summons fee.
 4. Schedule your hearing with the clerk.
- C. Notification of defendant:
1. Carried out by clerk
 2. Can involve a certified letter or if this does not work, a formal summons delivered by the sheriff.
- D. Obtain your evidence:
1. Collect contracts, receipts, cancelled checks, letters, or photographs.
 2. You may want to take a witness with you if appropriate.
- E. Out of Court Settlement:
1. Prepare a form giving the terms of settlement if defendant wishes to settle out of court
 2. Include space for both defendant and plaintiff to sign and date the form.
 3. Both parties should keep copies of the form.

F. Court

- Presentation:
1. Both you and the defendant will be sworn to tell the truth.
 2. Both parties present their case
 3. Each party can challenge the other's evidence.
 4. You may receive an immediate answer from the judge or be notified of the decision by mail.

G. Default:

1. Occurs when defendant fails to show up.
2. Plaintiff gives evidence, judge makes decision and if sure of your testimony, award you the outcome of the case.

H. Remember: Although you may win the case, you may have difficulty collecting the debt.

QUESTIONS TO ASK YOUR PROSPECTIVE PHYSICIAN

- A. Office Hours: What are they?
- B. Days Off: When are you not in the office?
- C. House Calls: Do you make house calls?
- D. Telephone Inquiries: How do you handle telephone inquiries?
- E. Hospital Arrangements: With which hospital(s) are you affiliated?
- F. If Unavailable: If you cannot tend to me, who will substitute for you?
- G. Emergency Procedures: In case of emergency what steps should I follow?
- H. Fees: What are your fees?

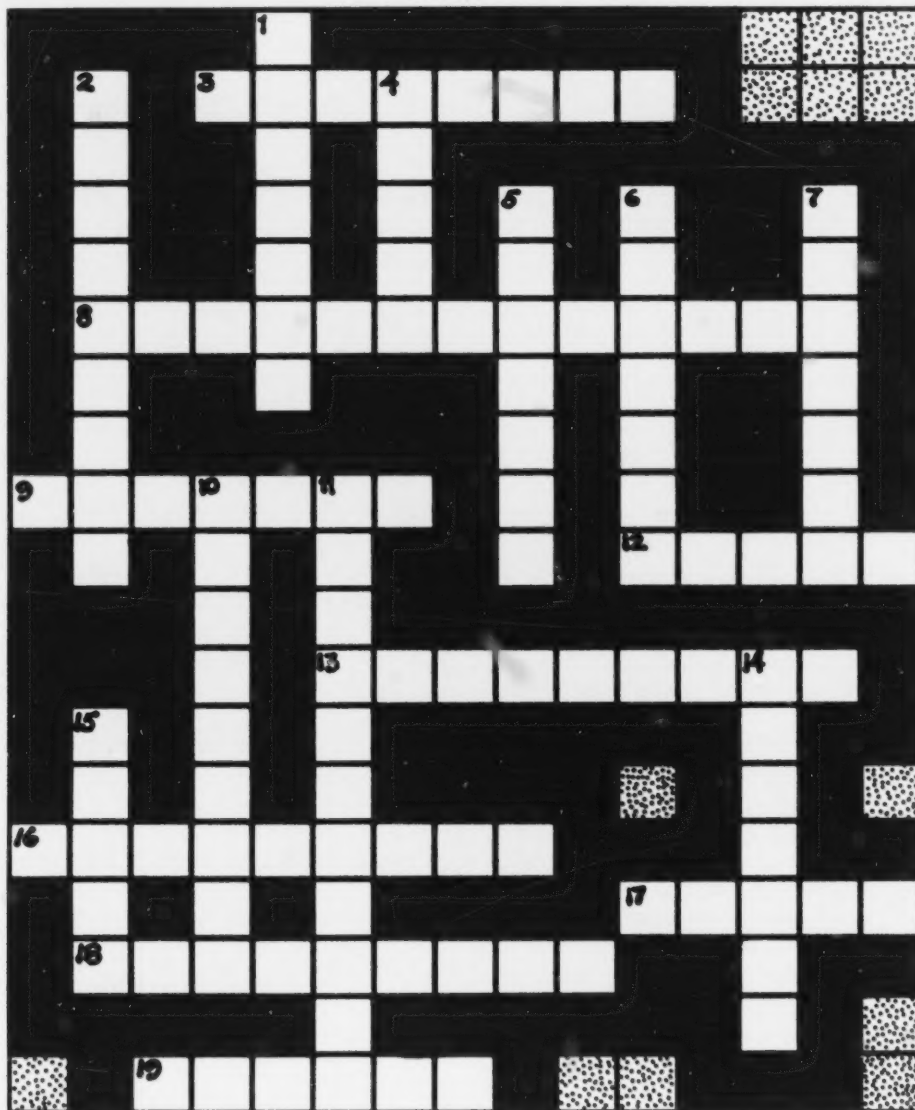
Name: _____
Point Value: _____
Points Earned: _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

ASSIGNMENT SHEET 1--COMPLETE PROFESSIONAL SERVICES
TERMS PUZZLE

Directions: Complete the crossword puzzle below by filling in the correct terms related to professional services.



DOWN

1. Type of center in which preschool age children are cared for
2. Burning the (dead) body and its container, leaving ashes which can be buried or scattered
4. A young person who requires care and attention
5. An individual who receives health care services
6. A person who gives evidence in court
7. A ceremony to honor a person who has died
10. A person or business that brings suit in a court of law; complainant
11. Basis for payment of a legal fee in which the amount of the fee will depend on the outcome of the case
14. Type of school for children, usually under age five, which offers a planned educational program
15. Same as 4 down

ACROSS

3. Adjective describing a child who is at home alone after school while his/her parents are at work
8. Certification that an agency follows standards of quality as established by an outside board or agency
9. A facility which provides a home like setting and supportive care for terminally ill patients
12. Type of claims court
13. Oral or written presentation of evidence given under oath
16. The cost of placing a claim on record
17. A person who keeps records, correspondence, or accounts
18. A person or business being sued or accused in a court of law
19. Another word for attorney

Name: _____
Point Value: _____
Points Earned: _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

ASSIGNMENT SHEET 2--DESCRIBE HOW TO OBTAIN
LEGAL SERVICES

Directions: Answer the questions below to describe how to obtain legal services.

1. There are many situations in which a lawyer's assistance may be needed. List five situations which might require a lawyer:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
2. What are the reasons for which an individual might decide to file suit? List five.
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
3. Describe at least one way in which an individual could find and select an attorney.
4. What should a consumer do if he/she believes an attorney is not working effectively on his/her behalf?

5. Because attorney's fees and filing charges for court cases are very high, many consumers decide to use an alternative to settling their claims. What is this alternative?
6. What is a law clinic and for what type of cases are law clinics most suitable?
7. How can an individual obtain a prepaid legal plan?
8. Who can use telephone legal services and what type of problems are handled through such services?

Name: _____
Point Value: _____
Points Earned: _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

ASSIGNMENT SHEET 3--USE A SMALL CLAIMS COURT

Directions: Below are selections in which an individual acted incorrectly when using a small claims court. Read each situation, then state what the individual should have known before using the small claims court.

1. Mary Jo assumes that she needs to file on a small claims court because a contractor she hired walked off with a \$1,000 she paid him to complete a remodeling job on her home. Is her assumption correct in the state of Missouri?

2. Bruce plans to file a suit in small claims court because he feels it will take less time to deal with the situation than if he were to use an attorney. Is his assumption correct?

3. Don feels that by filing a suit in small claims court he is assured of getting the money back he feels he is owed. Is his assumption correct?

4. Martha plans to use the small claims court because she feels it will not cost her anything to use its services. Is she correct?

5. When filing his claim, Dave used the defendant's name incorrectly on the papers he filed. He assumed it made no difference to the court. Was he correct?

6. Jeff receives a call from a man against whom he is bringing a small claims suit. The man agrees to settle out-of-court

at a cost over what Jeff is seeking. Jeff agrees to meet the man and take the money. Is Jeff following appropriate procedures?

7. Darla shows up for her small claims court date but Burt, the defendant, fails to appear. Darla knows the case will be settled in her favor. Is she correct?
-
-

Name: _____
Point Value: _____
Points Earned: _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

ASSIGNMENT SHEET 4--DESCRIBE DAY CARE NEEDS

Directions: Describe day care needs by filling in the blanks in these statements with the correct terms.

Public Law 94-142
Drop out
Latchkey children
Paid leaves
Day care services
Costly

After school
Licensed
Sharing
Infant
Responsibility
Tax deductions

1. Many children have no parents at home after school. These children are called _____.
2. More _____ and _____ care is needed than any other type of day care service.
3. Many teenage parents reduce their chances of obtaining good jobs because they _____ of high school.
4. Providing services for handicapped students is specified in _____.
5. Infant day care is more _____ because of the services needed.
6. Parents in job training programs often must leave such programs because they cannot find _____ at low enough cost.
7. Policies that have been proposed as ways to help parents better care for their children include _____ and _____.

Name: _____
Point Value: _____
Points Earned: _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

ASSIGNMENT SHEET 5-- SELECT PROFESSIONAL SERVICES

Directions: Below is a list of professional services. Identify three common standards to keep in mind before using each of these services.

A. Childcare Services:

1. _____
2. _____
3. _____

B. Personal Physician:

1. _____
2. _____
3. _____

C. Funeral Services:

1. _____
2. _____
3. _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

DOWN

1. Daycare
2. Cremation
4. Child
5. Patient
6. Witness
7. Funeral
10. Plaintiff
11. Contingency
14. Nursery
15. Child

ACROSS

3. Latchkey
8. Accreditation
9. Hospice
12. Small
13. Testimony
16. Filing fee
17. Clerk
18. Defendant
19. Lawyer

ASSIGNMENT SHEET 2

1.
 - a. When buying or selling real estate
 - b. When planning a will and estate
 - c. When preparing taxes
 - d. When buying investment property or a business
 - e. When a suit is filed

(NOTE: Answers may be listed in any order.)
2.
 - a. A complaint about a consumer product
 - b. Fraud
 - c. An unacceptable standard of workmanship or incomplete job
 - d. A divorce or legal separation
 - e. An accident involving bodily injury

(NOTE: May be listed in any order.)
3. One or both of the following:
Contact the local law association referral service.
Ask friends, relatives and work associates for their advice and experiences.
4. A consumer who believes that his/her attorney is not working effectively on his/her behalf should not be afraid to change lawyers.
5. Small Claims Court
6. A law clinic is a groups of several lawyers who offer services to large numbers of customers.
Clinics are used mainly for cases that do not require extensive court time.
7. Prepaid legal plans are offered through employers, unions, credit unions, schools and other organizations.
8. To use free telephone legal services, you must meet certain income requirements, be unemployed, be on Social Security or be disabled.

Such problems as credit problems, utility problems, family problems, and rental problems are handled.

ASSIGNMENT SHEET 3

1. No, Missouri will not accept small claims cases over \$500.
2. No, filing in small claims court can be very time consuming and could require time away from work.
3. No, small claims court does not enforce monetary awards.
4. No, court costs are involved in using the services of small claims court.
5. No, the correct name must be used or the case can be thrown out of court.
6. No, Jeff needs to prepare a document detailing settlement procedures or further difficulties could arise.
7. Yes, should the defendant fail to appear, the case is settled in favor of the plaintiff.

ASSIGNMENT SHEET 4

1. latchkey children
2. infant and after school
3. drop out
4. Public Law 94-142
5. costly
6. day care
7. paid leaves, tax deductions

ASSIGNMENT SHEET 5

- A. Any three of the following:
The facility is licensed.
Licensing standards such as space requirements, safety standards, nutritional requirements, adult-child ratios are met.
License should be current and conspicuously displayed.
Visits (including drop-in) from parents are welcomed.
Staff members seem to care about children.
The facility looks like a place where children come first.
Children seem happy, busy, and interested in their play.
Parents are encouraged to ask questions.
- B. Any three of the following:
Physician is trained, qualified, licensed.
Physician is Board certified or Board eligible.
Physician is affiliated with local hospital(s).
Office is appropriately staffed with qualified personnel.
Physician is friendly, courteous, and you can feel comfortable with him/her.
Physician spends sufficient time with each patient.
Physician schedules appointments realistically so patients do not spend excessive time in the waiting room.
Physician is willing to consult with other health care professionals and to have patients seek second opinions.

Physician prescribes only the drugs you really need.
Physician, or appropriate on-call physician, is available in
emergency situations.

- C. Choose a casket appropriate to your price range, not what
the funeral director suggests.
Find out state laws regarding embalming procedures.
Obtain a list of all costs prior to carrying out the
funeral.

Name: _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

JOB SHEET 1--SURVEY PROFESSIONAL SERVICES

I. Resources:

Relative and/or friends to interview
Professional service providers/representatives to interview

II. Procedures:

- A. Individually or in small groups, survey your parents/guardian or relative concerning the professional services they have used.
 - a. Develop a list of services used within the last 5 years.
 - b. Identify how they chose each service they used.
 - c. Identify the degree to which they were satisfied with the service they used.
- B. Share your findings with the group.
- C. Select one professional service which you would like to study further from the list below:
 - Child care services
 - Health care services (physicians, dentists, others)
 - Hospital services
 - Nursing homes
 - Funeral services
- D. Referring to the content outline, create a list of questions which you can ask representatives of each of these services.
- E. Prepare a form on which to gather information.
- F. Contact a representative of the selected service and request an interview.
- G. Conduct the interview.
- H. Summarize your findings in written form.

- G. Conduct the interview.
- H. Summarize your findings in written form.
- I. Share the results of your interview with other class members.
- J. Compare the information gathered in step G with the information gathered in step A and respond to the following questions:
 1. Who needs or uses the professional service you surveyed?
 2. How does the service let people know it is available?
 3. How satisfied do you feel people would be with the service and why?

Evaluation Criteria	Point Value	Points Earned
1. Surveyed parent, guardian or relative		
2. Shared findings with group		
3. Selected professional service		
4. Devised questions to ask		
5. Contacted agency to interview		
6. Conducted interview		
7. Summarized results in writing		
8. Shared results with class members		
9. Compared information		
10. Submitted all materials on time		
11. Used correct grammar, spelling and punctuation in written work.		
Total Points		

Name: _____
Point Value: _____
Points Earned: _____

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|--------------------|-----------------------|
| a. cremation | g. legal clinic |
| b. day care center | h. nursery School |
| c. defendant | i. small claims court |
| d. embalm | j. writ of execution |
| e. hospice | k. summons |
| f. latchkey child | |

- _____ 1. A setting in which preschool age children are cared for, usually with several staff members and a planned learning program.
- _____ 2. A process of treating a (dead) body to prevent rapid decay.
- _____ 3. A child who is at home alone after school while his/her parents are at work.
- _____ 4. Offices where, for a modest fee, routine legal services are provided by attorneys with the help of law students and paralegals.
- _____ 5. Person(s) or business being sued or accused in a court of law.
- _____ 6. A legal channel used for complaints involving small amounts of money.
- _____ 7. A facility which provides a homelike setting and supportive care for terminally ill individuals.
- _____ 8. A school for children usually under five years of age which offers a planned educational program.
- _____ 9. An order issued by a court commanding that an action be taken.

- ____ 10. Burning the (dead) body and its container in a specially designed oven, leaving ashes which can be buried or scattered.

Part Two: Multiple Choice

Directions: Circle the letter of the response which best completes each statement below. Statements may have more than one correct response.

11. More day care services are available for
- a. Children between the ages of 3 to 5
 - b. Infants
 - c. Teenagers
 - d. Handicapped children
12. The public law which provides day care services to handicapped children is PL:
- a. 93-249
 - b. 91-863
 - c. 94-142
 - d. 91-333
13. Policies which would help parents provide better child care to their children include:
- a. Longer working hours
 - b. Paid leaves of absence
 - c. Increased child care taxes
 - d. More social welfare programs
14. Family day care:
- a. Is more expensive than other forms of day care
 - b. Is more individualized
 - c. Generally provides well equipped facilities
 - d. Is regulated by licensing
15. Nursery schools differ from day care programs because:
- a. They are home based
 - b. They are more expensive
 - c. They provide fewer services
 - d. They provide an educational program
16. When choosing day care
- a. Select a licensed facility
 - b. Select one which excludes parent involvement
 - c. Select one which has suitable facilities
 - d. Select one that require children to meet certain behavior standards

17. A dentist you select should
- a. Take numerous x-rays of your teeth
 - b. Explain any treatment to be used
 - c. Pull rather than preserve your teeth
 - d. Use no anesthetic when drilling on your teeth
18. The Al-Anon organization is for:
- a. Families of alcoholics
 - b. Individuals with alcohol or drug problems
 - c. For abused children
 - d. For the mentally ill
19. Licensing of hospitals is done by the:
- a. American College of Surgeons
 - b. National Hospital Association
 - c. American Hospital Agency
 - d. Joint Commission on Accreditation of Hospitals
20. Alternatives to nursing home care for the elderly include:
- a. Hospices
 - b. In-home health care
 - c. Motels
 - d. Meals-on-wheels
21. Burial of a deceased person requires:
- a. Caskets
 - b. Embalming
 - c. Cemetery plots
 - d. Funeral arrangements
22. When a person dies it is important to notify:
- a. Bill collectors
 - b. Life insurance agencies
 - c. Utility companies
 - d. Out-of-state relatives

Part Three: Completion

Directions: Fill in the blanks to complete the following statements.

23. The time to select an attorney is _____ you need one.
24. A reason for filing a suit is _____.

25. To find an attorney, consult your local _____.
26. A key point to ask about before hiring an attorney is his/her _____.
27. The limit of a small claims suit in Missouri is \$_____.
28. Because small claims court does not enforce money awards to plaintiffs, it may be necessary to sue for the funds in _____ court.
29. When witnesses are sworn to testify in court, they are expected to tell the _____.
30. Lawyers cannot dictate minimum fees because of the _____ rule of 1975.
31. Prepaid legal plans require families to pay a _____ fee for such services.
32. In order to use free legal services, an individual must meet certain _____ requirements.

(NOTE: If the following activities have not been completed prior to the test, ask your teacher if/when they should be completed.

33. Complete professional services terms puzzle (Assignment Sheet 1).
34. Select an attorney (Assignment Sheet 2).
35. Use a small claims court (Assignment Sheet 3).
36. Describe day care needs (Assignment Sheet 4).
37. Select professional services (Assignment Sheet 5).
38. Survey professional services (Job Sheet 1).

ARRANGING FOR PROFESSIONAL SERVICES

UNIT VII

ANSWERS TO UNIT TEST

Part One

- | | |
|------|-------|
| 1. b | 6. i |
| 2. d | 7. e |
| 3. f | 8. h |
| 4. g | 9. j |
| 5. c | 10. a |

Part Two

- | | |
|----------|-------------|
| 11. a | 17. b |
| 12. c | 18. a |
| 13. b | 19. d |
| 14. b | 20. a, b |
| 15. d | 21. d |
| 16. a, c | 22. a, b, c |

Part Three

- 23. before
- 24. fraud or incomplete workmanship, divorce, accident
- 25. law association
- 26. fees, length of job, court costs
- 27. \$500
- 28. civil
- 29. truth
- 30. Supreme Court
- 31. monthly
- 32. income

33-37. See Answers to Assignment Sheets

38. Evaluated to the satisfaction of the teacher in accordance with criteria on the Job Sheet.

CONSERVING RESOURCES

UNIT VIII

UNIT OBJECTIVES

Upon completion of this unit, the student should be able to plan effective programs for conserving energy in the home. Competencies will be demonstrated by correctly performing the procedures outlined in the Assignment and Job Sheets and achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, MATCH TERMS RELATED TO CONSERVATION TO THE CORRECT DEFINITION by attaining 100 percent accuracy on the Unit Test.
2. Based on the content outline, ANALYZE ALTERNATIVE ENERGY SOURCES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
3. Based on the content outline, Transparency Masters 1 and 2, ANALYZE ENERGY USE by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2.
4. Based on the content outline, Transparency Masters 1 and 2, PLAN STRATEGIES FOR CONSERVING ELECTRICITY by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2, 3 or Job Sheet 1.
5. Based on the content outline, Transparency Masters 1 and 3, PLAN STRATEGIES FOR CONSERVING GAS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2, 3 or Job Sheet 1.
6. Based on the content outline and Transparency Master 3, PLAN STRATEGIES FOR CONSERVING WATER by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3.
7. Based on the content outline, Transparency Master 4, and Handout 1, PLAN STRATEGIES FOR WASTE CONTROL by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3.
8. Based on the content outline and Transparency Master 5, PLAN STRATEGIES FOR CONSERVING PAPER PRODUCTS by attaining 100 percent accuracy on the Unit and/or completing Assignment Sheet 3.

CONSERVING RESOURCES

UNIT VIII

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.

- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Analyze steps followed by the Public Service Commission to increase/decrease utility rates.
3. Review trends in energy occurring in your local area and/or state regarding changing costs of energy and availability of energy.
4. Gather concerns of your community regarding waste disposal and/or conservation. Identify problem areas within the community. Share results with your school or local newspaper.

- I. Give test.
- J. Evaluate test.
- K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 - 1. TM 1--Get Set to Conserve Energy
 - 2. TM 2--When It's Not in Use - Turn It Off
 - 3. TM 3--American Water Use
 - 4. TM 4--Trash Heap or Resource - Rich Mine?
 - 5. TM 5--Conserve Paper
- E. Handouts
 - 1. Handout 1--Characteristics of America's Trash
- F. Assignment Sheets
 - 1. Assignment Sheet 1--Analyze Alternative Energy Sources
 - 2. Assignment Sheet 2--Analyze Energy Use
 - 3. Assignment Sheet 3--Review Conservation Terms and Relate Them to Conservation Activities
- G. Answers to Assignment Sheets
- H. Job Sheets
 - 1. Job Sheet 1--Develop a Plan for Home Energy Conservation
 - 2. Job Sheet 2--Explore Trash
- I. Unit Test
- J. Answer to Test

REFERENCES USED IN DEVELOPING THIS UNIT

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Conserving Resources Unit VIII

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1					1-4	
*	2			AS 1		14	
*	3			AS 2		15	
H.1., H.2.	4	TM 1, 2		AS 2, 3	JS 1	5-8, 12, 13, 15	SIXE1,2; SIXH1; SIXB1; SXE4; SXF5; SXD1,2; SSXB3
H.1., H.3.	5	TM 1, 2		AS 2, 3	JS 1	5-8, 12, 13, 15	SIXE1,2; SIXH1; SXE4; SXF5; SXD12; SSXB3
H.4., H.5.	6	TM 3		AS 3		10, 16, 17	SSIXN1; SSXB2,3; SSXE6
H.4., H.6.	7	TM 4	HO 1	AS 3	JS 2	9, 11	SSIXN1; SSXB2,3; SSXE6
H.7.	8	TM 5		AS 3		11, 19	

*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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CONSERVING RESOURCES

UNIT VIII

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1]

- A. Conservation ethic--the desire to get the greatest use out of the products we purchase.
- B. Energy conservation--saving the resources (petroleum, coal, gas wood, etc.) and their products (electricity, heat, fuel) which help us operate our machines, perform our work, and heat and cool our buildings.
- C. Quality of life--the level of satisfaction people feel in what they do and how they live. The degree of excellence in lifestyle that could be available to all people in a society. Such factors include noise levels, pollution levels, environmental surroundings, occupational and cultural activities.
- D. Recycling--using materials again or converting them to another purpose after their first use.

II. Plan a program for conserving energy.

[Objectives 2-5; TM 1, 2; AS 1, 2, 3; JS 1]

- A. At one time consumers purchased appliances, cars, and homes with little thought of energy costs; today energy conservation is of great importance.
- B. In the 1970's, several things occurred which brought our energy related habits under study. These were:
 - 1. The reduction of crude oil shipped from the Persian Gulf for use in cars and as heating oil
 - 2. OPEC (Organization of Petroleum Exporting Countries) became a force in determining oil production.
 - a. OPEC includes the countries of Algeria, Iran, Iraq, Libya, Nigeria, Saudi Arabia, Kuwait, Venezuela and others.
 - b. Between 1973 and 1980, the price of crude oil per barrel rose from about \$2.12 per barrel to \$40 per barrel.
 - c. In 1983, OPEC began to lose its force as major buyers like the United States began to

cut back oil purchases from OPEC. This occurred because large scale oil exploration found more resources, conservation-conscious consumers cut back on oil use, and we began to develop alternate sources of energy to supplement oil as the major fuel used.

C. Alternative energy resources

1. Solar power

- a. Requires the use of numerous solar collectors
- b. Because of dust, clouds or pollution, the amount of solar energy collected is much smaller than the sun's actual output.
- c. To collect enough solar power to meet our needs would require solar collectors covering extensive acreage.
(NOTE: An important issue is whether to set aside a large amount of land for solar collectors.)
- d. Solar conversion units convert sunlight to energy. They require the use of numerous precious metals (such as copper, sulfur, selenium, and cadmium) which must be imported at increasing cost.
- e. Solar conversion units for equipment like water heaters and central heating systems may not be worth the cost of installation and operation when other options are less expensive.

2. Nuclear power

- a. Generated primarily to produce electricity
- b. Competes with coal and is more expensive
- c. The costs of building plants and their safety record has limited expansion/conversion to nuclear power.
- d. Disposal of nuclear waste is still a problem.
- e. Reactors have an average life of 40 years and must then be dismantled. The cost of dismantling is as yet undetermined.

3. Coal

- a. The United States has large coal deposits.
- b. The use of coal is not without cost.
 - 1) Coal use creates acid rain which some believe is destroying many forests in Michigan, Minnesota and the Canadian provinces which border the U.S.
 - 2) Coal use creates air pollution problems.
 - 3) Some scientists believe extensive use of coal will warm the earth's atmosphere causing a greater number of dry, desert areas to occur worldwide.

4. Gasohol
 - a. Alcohol is produced from fermented crop residue such as corn.
 - b. Alcohol is mixed with gasoline to create gasohol.
 - c. Scientists studying gasohol indicate that currently it takes more energy to produce alcohol than the amount of alcohol created.

III. Home heating and cooling

A. Space heaters

1. May be used to provide supplementary warmth at times when you do not want to use your entire heating system.
(NOTE: Space heaters generally use electricity inefficiently, are expensive to run, and do not provide the heating which you get from a typical furnace system.)
2. Check the EER (Energy Efficiency Ratio) before buying or divide the amount of heat produced (usually expressed in BTU's) by the wattage required. The higher the number (somewhere between 4 and 10) the greater the efficiency of the unit.
3. Because hot air rises, use a floor model heater.
(NOTE: Be sure the model has a sturdy base and cannot easily be knocked over. Space heaters can start fires easily.)
4. Be sure the model you use has a switch that shuts off the unit automatically if it is tipped over.
5. Newer models of space heaters are radiant-heat panels.
(NOTE: These space heaters are very thin; can be placed on the wall, ceiling, or floor; and use electricity fairly efficiently.)

B. Thermostats

1. To conserve energy a temperature no higher than 68 degrees F (20 degrees C) during winter daytime hours and 60 degrees F (16 degrees C) during nighttime hours is recommended nationally. For summer cooling, the thermostats should be set no lower than 78 degrees F (26 degrees C) for central air conditioning.
2. Most home thermostats are inaccurate. An accurate home thermometer placed in various areas will alert you to warm and cold spots in your home.
3. Check your thermostat with an accurate thermometer and then adjust it to match the nationally recommended temperatures.

C. Attic fans

1. Attic fans help to ventilate homes during warmer weather.
(NOTE: These fans do not lower temperatures or remove humidity.)
2. Ceiling fans appear to make rooms seem cooler in hot weather because they circulate the air.
3. Choose the type of fan you need by the cubic feet per minute you need ventilated.
 - a. To determine the cubic feet of your home, measure the width, length and height of rooms to be ventilated (this also includes any hallways). Multiply these numbers to get cubic feet.
 - b. If you cannot find a fan which matches your cubic feet, buy the next largest size (smaller ones will not cool as well and will be less efficient.)
 - c. In cooler areas you can use a fan with half the capacity of the cubic feet of your home, in warm areas use a fan that matches the cubic feet of your home.
 - d. If when placed in the home the fan does not directly fan the air (this is true for most fans) subtract one-fourth from the cooling capacity listed for the fan.
4. Desirable features include:
 - a. Two-speed motor (high speed for rapid ventilation, low speed for continuous circulation)
 - b. Automatic shut off to protect against overheating
5. Be sure windows are open when fan operates to avoid overheating and burning out the motor.

D. Air conditioners

1. Don't use your unit to maintain extremely cool temperatures.
2. Keep lights off and units away from thermostats as they generate heat.
3. Run the fan on the unit to keep air circulating.
4. Keep your unit clean by changing air filters as recommended.
5. Have your central air unit inspected each spring. You can use your vacuum cleaner attachments to clean dust and dirt from your window unit.
6. Be sure no objects or window treatments block your unit.
7. Use exhaust fans to remove excess humidity from using showers, doing laundry, or washing dishes.
8. If away from home, turn air conditioning off.

9. Electric fans can be used to help distribute cooler air.
10. If temperatures drop, turn off air conditioner.

IV. Energy-using appliances

A. Electric ranges.

1. Electric ranges are more costly to operate than gas ranges but are more efficient.
2. Self cleaning ovens use high amounts of energy but because ranges are well insulated, the heat is kept inside the oven.
3. If burners are thermostatically controlled (maintain a constant temperature when set) you may save energy.
4. Burners and ovens may be turned off before full cooking time is used; there will be enough heat left over to complete cooking.
5. When cooking small amounts, use small appliances rather than the oven.
6. Try to cook a number of foods at the same time on top of the range or in the oven.
7. Do not continually look in oven to check food.
(NOTE: Each time oven is opened, 25 degrees F (13.5 degrees C) is lost.)
8. Do not try to heat the kitchen with the oven.

- B. Microwave ovens can be energy savers but do not replace ovens or ranges, since they are small and usually cannot prepare a complete meal without considerable planning.

C. Refrigerators

1. Frost-free refrigerators run more efficiently because there is no frost buildup.
2. Be sure to check the EER rating.
3. Top freezer models are more efficient than side-by-side freezer models.
4. The typical temperature for a refrigerator is between 36 and 38 degrees F (2.5 to 3.5 degrees C).
 - a. The vegetable bin temperature should be about 40 degrees F (4.5 degrees C).
 - b. Freezers should be kept at 0 degrees F (18 degrees C).
 - c. Most units gain about 5 degrees F (2.5 degrees C) in warm weather.
5. Automatic ice makers add little to the cost of running a unit.
6. Chest model freezers are more efficient than upright models, but they are more awkward to use.

7. To determine the amount of refrigerator and freezer space needed:
 - a. Calculate about eight cubic feet of refrigerator space for two people, and one cubic foot for each additional person.
 - b. Calculate six cubic feet per person for a separate freezer.
 - c. Two cubic feet per person is appropriate for side-by-side or top freezer refrigerator models.
8. To save energy
 - a. Place food in refrigerator when cool enough to handle.
(NOTE: Do not wait longer and let germs breed just to conserve energy.)
 - b. Check door seal. If a dollar bill pulls out easily when door is shut, it is time to change the seal.
 - c. Take out all items you need at once rather than going back for each item.
 - d. Clean condenser coils twice a year.
(NOTE: Spiral brushes are available to help you do this; be sure unit is turned off.)
 - e. Defrost unit if frost buildup is 1/4 inch thick; clean drains on frost free models regularly.
 - f. Locate refrigerator away from oven.
 - g. Some models have power saver features which can reduce energy usage by 16 percent.
(NOTE: This feature turns off a small motor designed to remove moisture.)
 - h. Place no more food in your freezer than will freeze in 24 hours. More than this amount will use a large amount of energy and can cause the unit to overheat.
 - i. If possible, reserve an outlet to be used only for the refrigerator or freezer.

D. Dishwashers

1. Set the temperature on the water heater to the lowest setting compatible with the dishwasher.
2. If dishes must be pre-rinsed, use cold water.
3. When the dishwasher reaches the drying cycle, open the door and let the dishes air dry.
(NOTE: This will save electricity which would have been used for the drying cycle and also put humidity into the air.)
4. Do not use unit to warm dishes prior to serving as this is a waste of energy.
5. You will save water by washing dishes by hand.
6. Do not run dishwasher until it is full.

E. Washers and dryers

1. Select a washing machine that can be set to use a variety of water temperatures and various water fill levels, and includes a suds saver (which allows clean water to be reused on an additional load).
2. Use a machine with a capacity appropriate for your family.
3. The cost of washing comes from heating water to wash clothes.
4. Electric dryers are less efficient than gas dryers.
(NOTE: Gas dries clothing more quickly.)
5. Use your dryer efficiently:
 - a. Dry several wash loads together to conserve number of times used.
 - b. Keep lint filter clean.
(NOTE: Remove after each load is completed to reduce risk of fires.)
 - c. Remove items from dryer as they dry; over drying sets wrinkles.
(NOTE: Synthetics dry faster than cottons, lightweight fabrics dry faster than heavy fabrics.)
(NOTE: If clothes will be ironed immediately, leave them slightly damp.)
 - d. Hang your wash outside when possible or let smaller items dry in the bathroom.

F. Small tools and appliances

1. Irons
 - a. Try to do all ironing at once to reduce continuous reheating.
 - b. Iron items requiring a low setting first and increase temperature setting as needed. End with the hottest temperature last.
(NOTE: This procedure reduces the amount of heat loss.)
2. Vacuum cleaners
 - a. Use for bigger cleaning jobs. Use brooms, cloths, or carpet sweepers for small cleanup tasks.
 - b. Clean any filters and change dust catching bags as needed.

G. Lighting

1. Most lighting is either incandescent or fluorescent.
2. Incandescent lighting is similar to daylight.

- a. In locations where bulbs will not be seen, use clear bulbs which emit the greatest amount of light.
 - b. When the bulb will be seen, use bulbs frosted on the inside.
 - c. Compare bulb brands for wattage and number of hours of use.
 - d. Long life bulbs do last longer than regular bulbs but cost more and but give less light for the wattage used.
3. Fluorescent lighting saves energy.
Characteristics of fluorescent lighting:
- a. Requires a special fixture
 - b. Emits more light than incandescent bulbs
 - c. Lasts longer than incandescent bulbs
 - d. Has a cold effect and, because it flashes on and off rapidly, may tire the eyes
 - e. Appropriate for bathrooms because it casts less shadow
 - f. Appropriate for confined spaces because it gives off little heat
4. Saving lighting energy:
- a. Choose lighting based on activities to be performed.
 - b. Use dimmer switches to reduce light and power when appropriate.
 - c. Use a low wattage for outdoor light.
 - d. Leave a light on in an unattended room no longer than 20 minutes.
 - e. Light wall colors reflect more light.
 - f. Clean and dust lights and lamp shades to maintain lighting efficiency.
 - g. If you use three-way bulbs, use the lowest light for sitting and watching television or general movement about the room; the medium setting for conversation; and the highest setting for close work, such as reading and sewing.
 - h. One high wattage bulb will use less energy than two lower wattage bulbs.
 - i. Use natural light on your work surface whenever possible.
 - j. White shades reflect more light. Replace shades which have become yellow.

V. The future of electricity

- A. The U. S. Public Utility Regulatory Act (PURA) (1978), specifies that utilities interconnect to offer the best price for electricity.
(NOTE: The interconnection will include hydroelectric (dams), geothermal (hot water deep in earth), solar and

biomass (garbage, sawdust) generating plants working together).

- B. Interconnecting many kinds of generating plants has the potential to reduce costs.
- C. Interconnecting many energy resources should reduce the potential for large power blackouts.

VI. Conserving gas

- A. Natural gas produces about a third of the Nation's energy. Natural gas is used to heat, cool, cook, and wash and dry clothing.
- B. A gas heating system may be supplemented with small space heaters.

VII. An alternative to central heating

- A. Central heating is expensive.
- B. To reduce heating costs, create a "comfort zone."

(NOTE: A "comfort zone" is an area of the house which is kept warm while other areas of the house are allowed to remain cool.)

1. Turn down the thermostat. Heating costs will be reduced by three percent per degree.
2. The "comfort zone" room should be comfortable for all family members, and able to be closed off from the rest of the house.
3. A thermostat should not be in the room designated as the "comfort zone." The heat in that room may prevent the heating system from turning on resulting in freezing temperatures in the rest of the house.
4. Add a space heater or heaters as necessary to the room.
5. If the comfort zone seems appropriate, it may be made permanent. Add storm windows, insulation, caulking around outside windows and doors, and weather stripping around doors.

VIII. Increasing the energy efficiency of your home

- A. Many state and private agencies provide services related to weatherizing a home. These services include:
 1. Inspection of the home and an energy analysis
 2. Low interest loans for increasing the insulation in the home
 3. Assistance with utility bill payments

B. Among these agencies are:

1. The water and light companies
2. The Missouri Division of Energy (314-751-4000)
3. The Farmers Home Administration
4. Community Development Rehabilitation Programs
(NOTE: Programs are available at a variety of income levels.)

IX. Conserving natural resources

[Objectives 6, 7; TM 3, 4; HO 1; AS 3; JS 2]

- A. Today's consumer-oriented society tends to "use it up and throw it away."
- B. Many of the products we buy are disposable.
- C. As we move into an era of limited resources, some critical decisions will need to be made concerning conservation.
- D. Waste disposal is costly.
 1. We spend about \$6 billion per year for collecting and disposing of waste nationally.
 2. Approximately \$22 billion plus is needed for cleaning up the most hazardous water sites
(NOTE: This cost excludes the monies needed for all the smaller sites that exist.)
 3. One percent of America's energy budget is wasted on throwaway cans.
 4. Enough organic waste (vegetable parings and other food related waste) is thrown away per year to produce energy equal to 80 million barrels of oil per year.
(NOTE: Organic wastes produce methane gas which if harnessed, could produce heat and fuel engines. Development of a method to harness methane gas is still in the experimental stage).
 5. Nine percent of the grocery bill is spent on throwaway packaging.
 6. Two-thirds of the paper produced annually ends up in the trash can.
 7. The United States imports about 91 percent of its aluminum which is converted to throwaway cans.
 8. About 100,000 acres of usable land is used to hold trash.
 9. In California about \$1.5 billion a year is paid to provide medical assistance to people involved in litter-related accidents.

E. Many policy makers and concerned individuals feel that we need to develop a National "conservation ethic." Such an ethic might result in:

1. A cleaner, more beautiful environment
 - a. Clean air
 - b. Unpolluted water
 - c. Effective land management
 - d. Reduced disease
2. Energy efficiency
 - a. Efficient manufacturing
 - b. Recycling
 - c. Reusable energy resources
3. A stronger economy
 - a. Less waste
 - b. Efficient resource management

F. Conservation standards stress that products be:

1. Reusable
2. Durable
3. Repairable
4. Recyclable

G. Creating a conservation ethic will require:

1. Establishing recycling codes
2. Banning some disposables
3. Sorting waste prior to pickup
4. Taxes, fines and other charges to reduce waste

X. Conserving water

[Objective 6; TM 3; AS 3]

- A. The amount of available water is not increasing in proportion to the population.
- B. Water is essential to life. It is used for:
 1. Drinking
 2. Cleaning
 3. Cooling
 4. Cooking
 5. Transferring goods and waste
 6. Fighting fires
- C. Americans use 150-200 gallons of water per person per day.
- D. Steel mills and heavy industry consume 85 percent of the non-agricultural water.

- E. A ton of irrigated corn requires about 1,000 tons of water; rice requires 4,000 tons of water.
- F. Family activities use large supplies of water:
 - 1. Showers use about 10 gallons.
 - 2. Washing machines use about 20 gallons.
 - 3. Baths use about 15 gallons.
 - 4. Washing dishes by hand uses about 5 gallons
 - 5. Running the dishwasher uses about 25 gallons.
- G. To reduce the amount of water used by the family:
 - 1. Do not bathe or wash longer than necessary.
 - 2. Purchase water conserving appliances.
 - 3. Repair leaky faucets.
 - 4. Never leave water running when brushing your teeth, shaving or washing.
 - 5. Do not leave the hot water running when rinsing dishes.
 - 6. Run only full loads in your washer and dishwasher.
- H. Build suburban area homes around small lakes which collect drainage water helping to return water from rains, car washing, and lawn watering to the underground water supply.

XI. Reducing waste

[Objectives 7, 8; TM 4, 5; HO 1; AS 3; JS 2]

- A. Iron, wood and aluminum are the major materials used in activities such as manufacturing, processing and consuming.
- B. To maintain sufficient supplies of these materials, they will have to be recycled.
- C. Aluminum is crucial to an industrial society.
 - 1. Recycling cuts waste, reduces energy usage, protects the environment, and reduces waste disposal costs.
 - 2. Recycling is not currently in wide use:
 - 3. Aluminum makes air travel possible because of the lightness of the metal.
 - 4. If more aluminum were used in cars, it would save gasoline.
 - 5. Aluminum containers save transportation costs.
 - 6. Obtaining aluminum from raw ore requires 20 times more electricity than recycling.

7. Aluminum production from raw ore causes 96 percent more air emissions than does the recycling of aluminum.

(NOTE: As of 1981, only about 30 percent of the aluminum produced world wide came from recycled materials. A vending machine which accepts small batches of aluminum cans and pays the recycler for the scrap metal is now available in selected communities.)

D. Iron and steel recycling

1. Junked cars produce about four percent of the world's steel.
2. In 1980, the United States exported about 11 million tons of scrap metal.
3. Japan recycles about ten percent of its municipal waste.

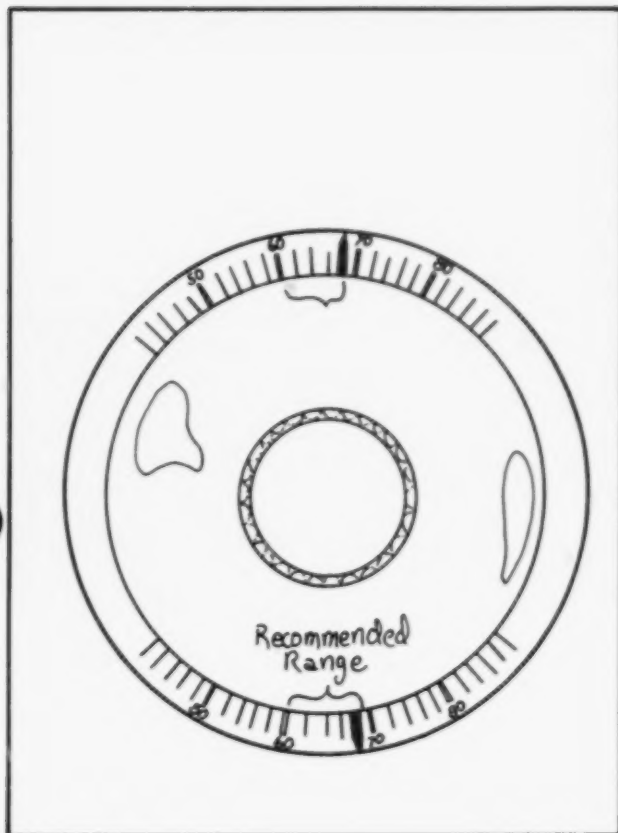
E. Recycling paper

1. Paper recycling preserves forests.
2. Currently the harvest of wood for paper products and building supplies exceeds forest replacement.
3. About 25 percent of the world's paper is recycled (NOTE: Recycling half the world's paper would meet about 75 percent of the new demand for paper.)
4. Increasing the cost of wood pulp would make waste paper recycling more attractive.
5. The Netherlands has the most effective paper recycling record in the world.

F. Becoming a recycling society

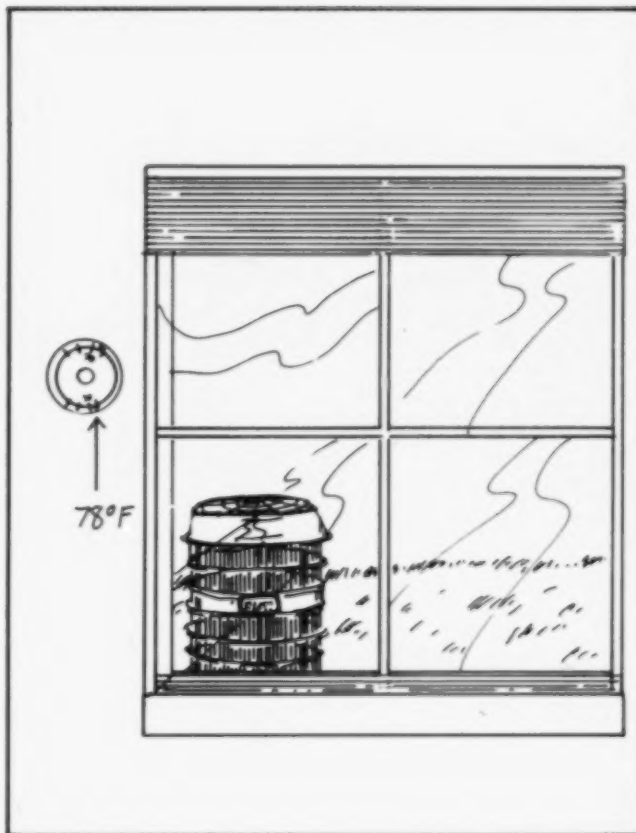
1. To develop a recycling society requires that consumers pay the full costs for materials they use.
2. World markets need to be developed for recycled materials and goods.
3. Container deposit legislation needs to be universal.
(NOTE: Container deposit legislation establishes a deposit on cans and bottles which is paid by the consumer and returned to the consumer when the cans and bottles are returned to the distributor.)
4. Cities and towns need to establish a policy for collecting scrap paper and containers.

Get Set To Conserve Energy



WINTER HEATING

No higher than 68° F. in winter daytime hours and 60° F. during winter nighttime hours.

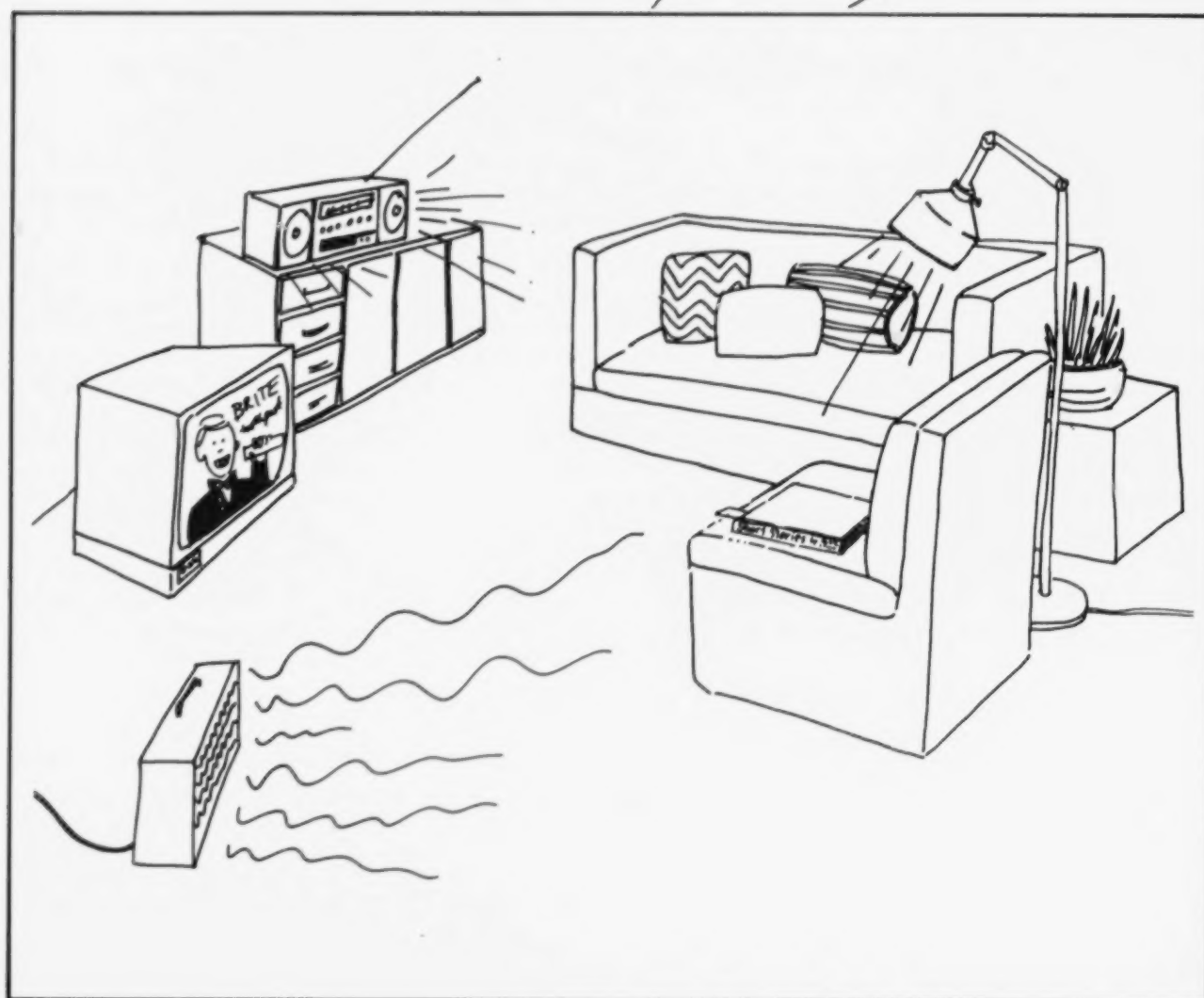
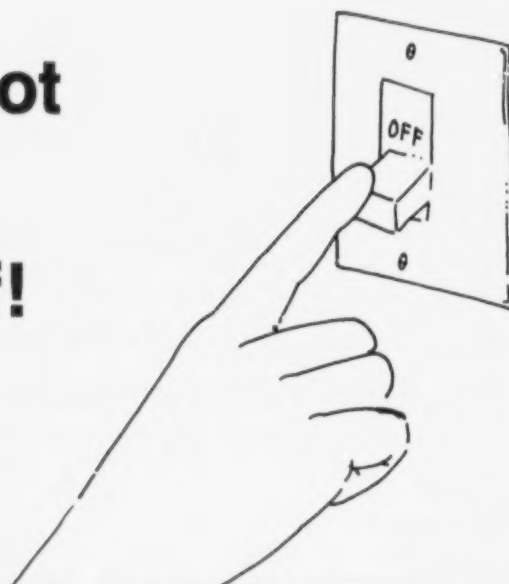


SUMMER COOLING

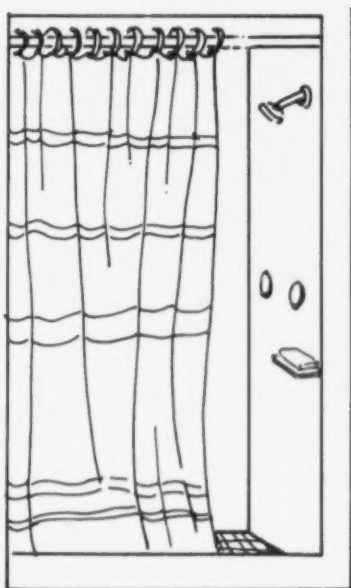
No lower than 78° F. for central air conditioning (higher setting recommended during periods of peak usage).

**When it's not
in use -**

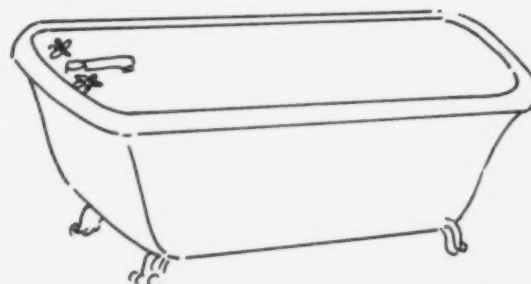
Turn It Off!



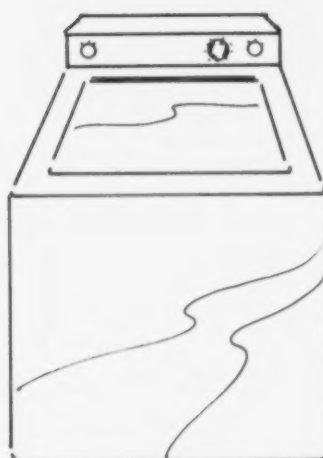
**Americans use
150-200 gallons of water
per person each day...**



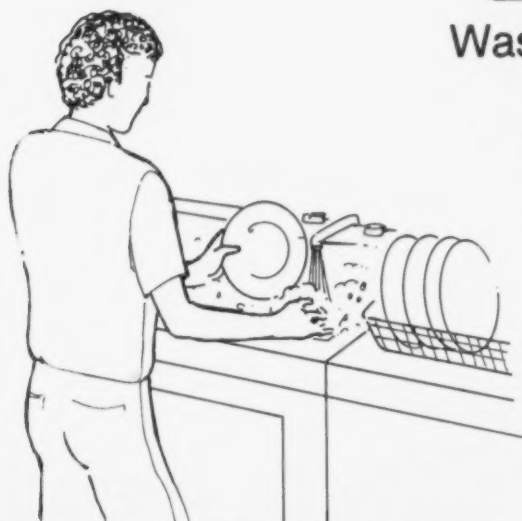
Showers use about
10 gallons.



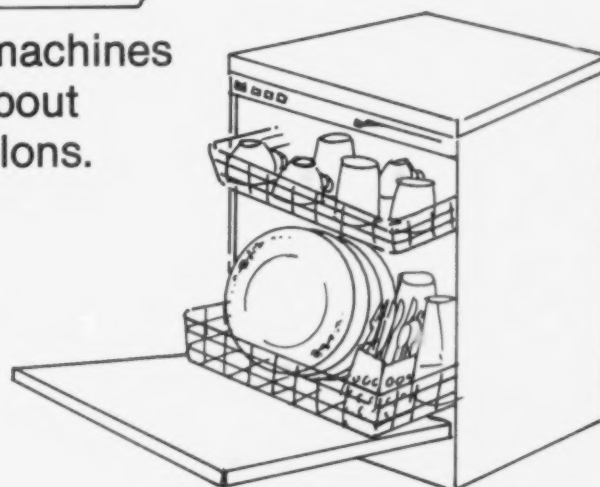
Baths use about
15 gallons.



Washing machines
use about
20 gallons.

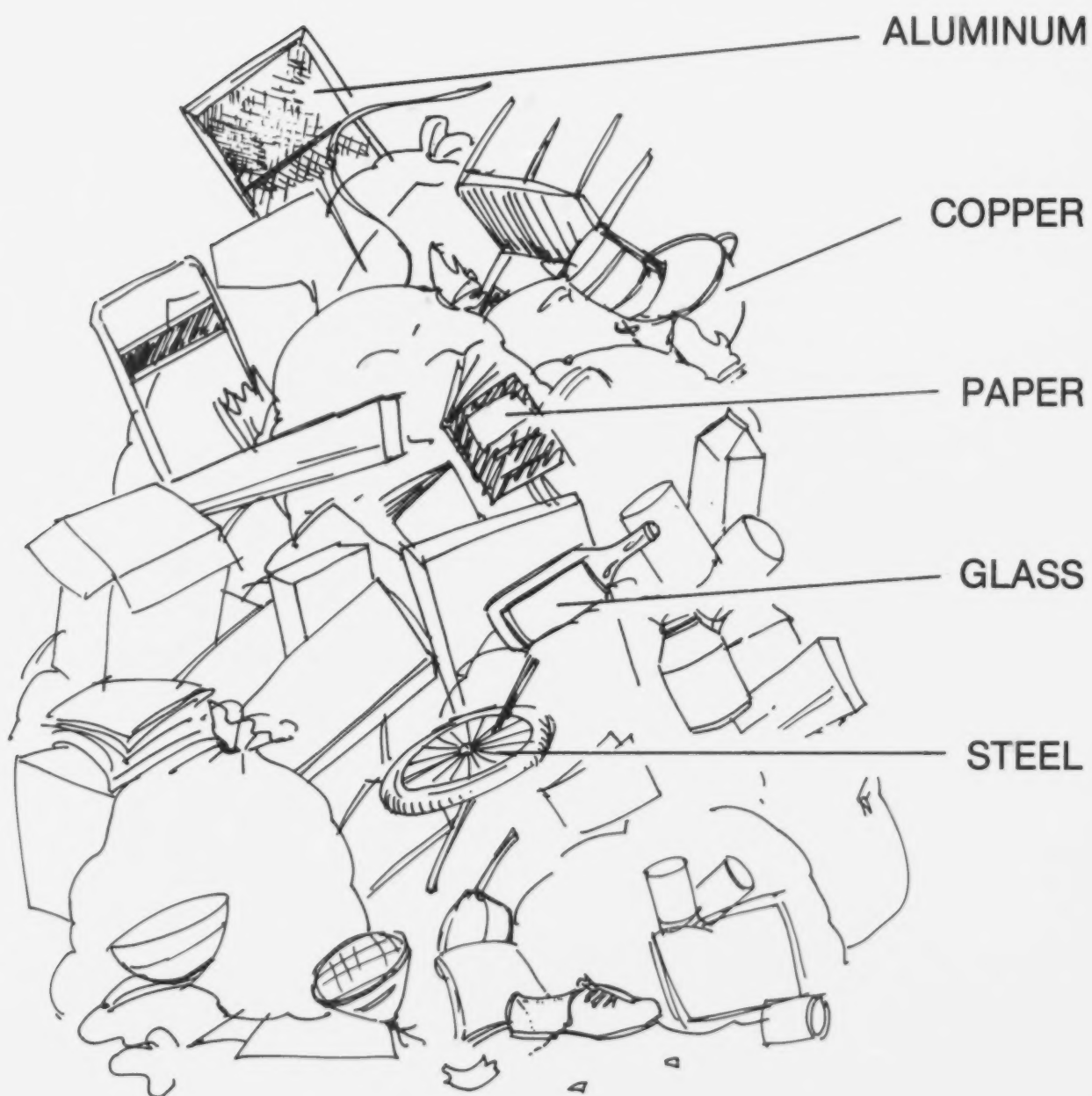


Washing dishes by hand
uses about 5 gallons.



Dishwashers use
about 25 gallons.

Trash Heap or Resource-Rich Mine?



Conserve Paper



CHARACTERISTICS OF AMERICA'S TRASH

In the space of a year's time, America's trash bags include:

* Disposable razors and blades:	2	Billion
* Disposable diapers	16	Billion
* Plastic or paper cups	45	Billion
* Paper plates	15	Billion
* Disposable lighters	348	Million
* Disposable pens	1.6	Billion

All this trash amounts to about a half-ton of garbage per person per year or five pounds of disposables per person per day.

Not all disposables are bad. For example:

- * Felt tipped pens provide for improved writing for less cost.
- * Physicians rely on disposable gowns, gloves, scalpels, and syringes to maintain high sanitary standards.

Name: _____
Point Value: _____
Points Earned: _____

CONSERVING RESOURCES

UNIT VIII

ASSIGNMENT SHEET 1--SEEK ALTERNATIVE ENERGY SOURCES

Directions: Select an alternative energy source for further study. Refer to the Information Sheet for ideas. Gather and report information on the following points:

- A. Alternative energy resource selected: _____
- B. Description of how the resource is produced:
- C. Positive qualities of the resource:
- D. Negative qualities of the resource:
- E. Cost and availability of the resource to the consumer:
- F. Steps for making the resource generally available to the public, i.e., laws that need to be passed, testing that needs to be done and so forth.
- G. List resources you consulted for information (at least two).

Name: _____
Point Value: _____
Points Earned: _____

CONSERVING RESOURCES

UNIT VIII

ASSIGNMENT SHEET 2--ANALYZE ENERGY USE

Directions: Follow the steps below to analyze your use of energy.

- I. Find out how many appliances/machines you use in a day.
(NOTE: You might wish to keep a personal log on a sheet of paper or in a small notebook; however, it would be for your own use and would not be turned in with this assignment.)

How many different appliances/machines did you use in one day? _____

How many other appliances/machines were of indirect benefit to you (for example, you ate dinner prepared by someone else who used a microwave, a blender, and an electric can opener, thus, three appliances)? _____

- II. What was the source of energy used for these appliances?

- a. Electricity _____
b. Gas _____
c. Other, state: _____

- III. If you suddenly had to reduce your use of appliances drastically and could use no more than three, which three appliances would you choose?

- a. _____
b. _____
c. _____

- IV. In class discussion, try to decide which appliances are most needed? Which are least needed? Are there differing points of view of usefulness? As a class, brainstorm ways that individuals can reduce their energy use. List these ideas on the chalkboard or post them on a bulletin board.

Name: _____
Point Value: _____
Points Earned: _____

CONSERVING RESOURCES

UNIT VIII

ASSIGNMENT SHEET 3--REVIEW CONSERVATION TERMS AND RELATE THEM TO CONSERVATION ACTIVITIES

Directions: Beside each of the letters, provide a term or expression that relates to conservation. Then relate that term to appropriate conservation behaviors, attitudes. Be creative. Share your ideas with other students in the class.

(NOTE TO THE TEACHER: The best energy conservation tips and/or slogans developed in this activity could be further developed into an attractive classroom bulletin board or poster(s) for school display.)

Examples: Recycle = turn in aluminum cans to reduce energy costs.
Yes = say yes to conservation!

1. R _____
2. E _____
3. C _____
4. Y _____
5. C _____
6. L _____
7. E _____

CONSERVING RESOURCES

UNIT VIII

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

Evaluated to the satisfaction of the teacher. Student's paper should show evidence that the Information Sheet was reviewed and that student has consulted at least two references.

ASSIGNMENT SHEET 2

Evaluate students based on participation in the activity and discussion and for completing the form.

ASSIGNMENT SHEET 3

Suggestions for answers include, but are not limited to, the following:

Recycling
Energy conservation
Consumer
Y
Consumer rights
Lumen
E

Other ideas include:

- R - Recycle, reuse, reduce paper use
- E - Energy, electricity--use it wisely, everybody is responsible for conservation
- C - Conserve energy, resources
Consume less, conserve more
Cooling doesn't have to be fuelish
Calculate energy use, costs, savings
Care about the environment--practice conservation
Clean air, clean water
- Y - Yes, say yes to conservation
You make conservation work
Yesterday's energy resources--still around tomorrow?
- L - Less consumption = more resources
Look for ways to save energy, resources, paper
Look out for our environment
- E - (See above)

Name: _____

CONSERVING RESOURCES

UNIT VIII

JOB SHEET 1--DEVELOP A PLAN FOR HOME ENERGY CONSERVATION

I. Resource:

A home equipped with large and small appliances

II. Procedures:

A. Identify the number of each of following items you have in your home:

_____ space heaters	_____ thermostats
_____ attic fans	_____ air conditioners
_____ electric /gas ranges	_____ microwave ovens
_____ refrigerators	_____ light fixtures (installed)
_____ dishwashers	_____ Other appliances (list below)
_____ washers	_____
_____ dryers	_____
_____ irons	_____
_____ lamps	_____

B. List and describe the energy conserving strategies you currently follow:

C. List and describe strategies that you could implement to increase home energy conservation:

D. Describe an area in your home which you could convert to a comfort zone. Draw a floor plan of the area including existing furnishings.

- E. Suggest ways in which you could convert the above area into a permanent comfort zone:

Evaluation Criteria	Point Value	Points Earned
1. Analyzed number of available appliances		
2. Described currently used energy conserving strategies		
3. Indicated additional strategies to increase energy conservation		
4. Described potential home comfort zone and area samples		
5. Identified several ways to convert space to permanent comfort zone		
6. Used good grammar and correct spelling		
Total Points		

529

Name: _____

CONSERVING ENERGY

UNIT VIII

JOB SHEET 2--EXPLORE TRASH

I. Materials:

Family trash for 1 week

II. Procedures:

- A. Save the trash generated by your family for a one-week time period.

(NOTE: Do not save food garbage which might attract vermin.)

- B. Analyze your families trash and record the following information:

1. The amount or number of the following items:

_____ Disposable cups
_____ Disposable knives, forks, spoons
_____ Disposable diapers
_____ Disposable razors and blades
_____ Pounds of paper
_____ Number of cans
_____ Number of bottles

Other items: list and give numbers or pounds

2. Identify those specific items which could be recycled.

Name_____

3. Determine the number of items or weight (in pounds) of the trash which you contributed to the total.
4. Analyze your personal trash and determine which items you could recycle.
5. Evaluate your families trash disposal habits.
6. List appropriate steps your family could follow to reduce the amount of its weekly trash.

Evaluation Criteria	Point Value	Points Earned
1. Obtained necessary materials to analyze		
2. Tallied quantity of items		
3. Provided requested analysis		
4. Listed steps for family conservation		
5. Used complete thoughts, good grammar and correct spelling		
Total Points		

Name: _____
Point Value: _____
Points Earned: _____

CONSERVING RESOURCES

UNIT XIII

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- a. Conservation ethic
- b. Energy Conservation

- c. Quality of life
- d. Recycling

- _____ 1. The degree of excellence in lifestyle that could be available to all people in a society.
- _____ 2. Using materials again or converting them to another purpose after their first use.
- _____ 3. Saving resources (petroleum, coal, gas, wood, etc.) and their products (electricity, heat, fuel) which help us operate our machines, perform our work, and heat and cool our buildings.
- _____ 4. The desire to get the greatest use out of the products we purchase.

Part Two: Multiple Choice

Directions: Choose the best answer(s) for each question by circling the letter of the answer you select. More than one choice may be correct.

- 5. When operating an air conditioner:
 - a. Be sure the unit fan is turned off while the air conditioner is on.
 - b. Use the unit to maintain very cool temperatures.
 - c. Keep the unit away from items which generate heat.
 - d. Keep your windows open while running your unit.

6. To save energy when preparing food using an electric range:
 - a. Leave burners on until food is completely cooked.
 - b. Use a small appliance rather than your oven if cooking a small amount of food.
 - c. Run the self-cleaning feature of the oven after every use.
 - d. Open the oven door frequently to check whether the food is done.
7. To save energy when washing clothes:
 - a. Dissolve detergent in warm water and agitate, then add to wash.
 - b. Use hot water for highly soiled clothes.
 - c. Wash clothing with the highest water level your machine has.
 - d. Use a long wash cycle for cold water washes.
8. To save energy when lighting an area:
 - a. Use dark colors on your walls to increase reflection.
 - b. Turn a 3-way bulb to its highest setting when in use.
 - c. Use dimmer switches when and where appropriate.
 - d. Leave lights on in the room when you leave, if you plan to be gone no more than twenty minutes.
9. To create a "conservation ethic" will require:
 - a. Increasing the number of disposable containers in which items are purchased
 - b. Placing all types of trash we dispose of in one container for pickup
 - c. Reducing the number of laws concerning waste disposal
 - d. Taxing and fining those who do not dispose of waste properly
10. Those responsible for building and planning our communities, need to consider the following ways to conserve water:
 - a. Build homes so that water runs off as waste water.
 - b. Cut down trees so water runs off the land.
 - c. Use a drainage system that allows water to collect and evaporate.
 - d. Cover large surface areas of the ground with cement or pavement to assure water runoff.
11. In order for the United States to become a recycling society
 - a. We need to be able to sell recyclables abroad.
 - b. Consumers must pay the full costs of what they use.
 - c. Legislation needs to be established for recycling materials.
 - d. Every one of us must be responsible for recycling.

Part Three: Short Answer

Directions: Write your answer to each of the following questions.

12. State the day and night time temperatures recommended for homes during winter. Place the appropriate temperature in the space beside the time period.

_____ 1. Preferred temperature for winter day time

_____ 2. Preferred temperature for winter night time

13. A neighbor explains that he is going to buy an attic fan to lower temperatures and quickly remove humidity from his home during the summer. How would you respond to his statement.

14. Describe one alternative energy source as well as its positive and negative characteristics.

15. List two appliances used in the home on a daily or weekly basis to perform certain task(s) and describe an alternative, energy-efficient means of accomplishing the same task(s).

a. Appliance: _____

Alternative: _____

b. Appliance: _____

Alternative: _____

16. List five uses of water.

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

17. List three methods of reducing water use in the home.

- a. _____
- b. _____
- c. _____

18. Why is it important to recycle paper?

19. Describe one thing a family could do to reduce paper consumption.

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

- 20. Analyze alternative energy sources (Assignment Sheet 1).
- 21. Analyze energy use (Assignment Sheet 2).
- 22. Review conservation terms and relate them to conservation activities (Assignment Sheet 3).
- 23. Develop a plan for home energy conservation (Job Sheet 1).
- 24. Explore trash (Job Sheet 2).

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CONSERVING RESOURCES

UNIT VIII

ANSWERS TO UNIT TEST

Part One:

- | | |
|------|------|
| 1. c | 3. b |
| 2. d | 4. a |

Part Two:

- | | |
|---------|-------------|
| 5. c | 9. d |
| 6. b | 10. c |
| 7. a | 11. b, c, d |
| 8. c, d | |

Part Three:

12. Day time: 68 degrees F.; Night time: 60 degrees F.
13. Tell him that an attic fan will neither lower the temperature nor remove humidity, but that it will circulate the air in the house and reduce the use of the air conditioner in spring and fall.
14. Answer will vary. Evaluated to the satisfaction of the teacher in accordance with section II.C. of the Information Sheet as well as student research for Assignment Sheet 1.
15. Answers will vary. Evaluated to the satisfaction of the teacher in accordance with material presented in the Information Sheets as well as student ideas from Assignment Sheet 2.
16. Any five of the following in any order:
Drinking, cleaning, cooling, cooking, transferring good and waste, fighting fires, agriculture, industry
17. Answers will vary. Suggestions may include, but are not limited to, the following:
Do not bathe or wash longer than necessary.
Purchase water conserving appliances.
Repair leaky faucets.
Never leave water running when brushing your teeth, shaving, or washing.
Do not leave the hot water running when rinsing dishes.
Run only full loads in your washer and dishwasher.
18. Paper recycling preserves forests. We are currently using forests for paper products and building supplies faster than forests are being replaced.
19. Answers will vary. Evaluated to satisfaction of the teacher in accordance with information presented in the unit/class.

20-22. See Answers to Assignment Sheets

23-24. Evaluated to the satisfaction of the teacher in accordance with evaluation criteria on the Job Sheets.

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OBTAINING FINANCIAL ASSISTANCE

UNIT IX

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to interpret credit procedures, apply for and manage credit, and deal with financial problems. Competencies will be demonstrated by correctly performing the procedures outlined in the Assignment and Job Sheets and by scoring at least 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, MATCH TERMS RELATED TO CREDIT DEFINITIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline, Transparency Masters 1, 2, 3, and 4, DESCRIBE THE ADVANTAGES AND DISADVANTAGES OF USING CREDIT by completing attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6 or Job Sheet 1.
3. Based on the content outline, CALCULATE THE COST OF USING CREDIT by attaining 100 percent accuracy on the Unit Test and/or Assignment Sheet 2, 3, 4, or 5.
4. Based on the content outline, Transparency Masters 1, 2, 3, and Handout 1, DEMONSTRATE THE ABILITY TO APPLY FOR CREDIT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5 or Job Sheet 2.
5. Based on the content outline, Transparency Masters 1, 2, 3, 4, and Handout 2, DEMONSTRATE THE ABILITY TO MANAGE CREDIT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5 or Job Sheet 1.
6. Based on the content outline, Transparency Masters 1, 2, 3, 4, and Handout 1 DEMONSTRATE THE ABILITY TO PURCHASE ITEMS ON INSTALLMENT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 5 or Job Sheet 2.
7. Based on the content outline, Transparency Masters 1, 2, 3, 4, and Handout 1 DEMONSTRATE THE ABILITY TO TAKE OUT A PERSONAL LOAN by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 2.

8. Based on the content outline, Transparency Masters 1, 2, 3, 4, Handouts 1 and 2, DEMONSTRATE THE ABILITY TO APPLY FOR AND MANAGE CREDIT CARDS by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 2.
9. Based on the content outline, Transparency Masters 1, 2, 3, and 4, DEMONSTRATE THE ABILITY TO HANDLE FINANCIAL PROBLEMS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6.
10. Based on the content outline, RECOGNIZE THE REASONS FOR OBTAINING FINANCIAL COUNSELING by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6.
11. Based on the content outline, DESCRIBE FACTORS INVOLVED IN APPLYING FOR BANKRUPTCY by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6.
12. Based on the content outline, DESCRIBE HOW TO OBTAIN ASSISTANCE DURING FINANCIAL DIFFICULTIES by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 6 or 7.
13. Based on the content outline, DESCRIBE GOVERNMENT LOANS by attaining 100 percent accuracy on the Unit Test.
14. Based on the content outline, DESCRIBE WORKER'S COMPENSATION by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 7.
15. Based on the content outline, DESCRIBE UNEMPLOYMENT COMPENSATION by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 7.
16. Based on the content outline, DESCRIBE GOVERNMENT ASSISTANCE PROGRAMS INCLUDING FOOD STAMPS by attaining 100 percent accuracy on the Unit Test.

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
C. Provide students with Objective Sheet.
D. Discuss Unit and Specific Objectives.
E. Provide students with Information Sheet.
F. Discuss the Information Sheet.

(NOTE: Use the transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.

- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

- I. Give test.
J. Evaluate test.
K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
B. Suggested Activities
C. Information Sheet

D. Transparency Masters

1. TM 1--Reasons for Credit Use
2. TM 2--Dangers of Credit Card Use
3. TM 3--Building Blocks of Credit
4. TM 4--Beware! Be Wise! Keep Credit Use Down to Size

E. Handouts

1. Handout 1--A Credit Application for a Charge Account
2. Handout 2--A Monthly Charge Statement

F. Assignment Sheets

1. Assignment Sheet 1--Complete Credit Terms Crossword Puzzle
2. Assignment Sheet 2--Compare APR's from Two Sources
3. Assignment Sheet 3--Use the Rule of 78's
4. Assignment Sheet 4--Compute the Cost of Credit
5. Assignment Sheet 5--Complete an Installment Contract
6. Assignment Sheet 6--Develop a Plan for Managing Financial Problems
7. Assignment Sheet 7--Describe Worker's Compensation and Unemployment Compensation

G. Answers to Assignment Sheets

H. Job Sheet

1. Job Sheet 1--Debate Advantages and Disadvantages of using Credit
2. Job Sheet 2--Apply for Credit

I. Unit Test

J. Answers to Test

REFERENCES USED IN DEVELOPING THIS UNIT

- A. American Express Company. The Credit Handbook for Women. New York: The American Express Company, 1982.
- B. Lert, Don R., and Joann Driggers. Economic Decisions for Consumers. Belmont, CA: Wadsworth Publishing Co., 1983.
- C. McGowan, Daniel A. Consumer Economics. Boston: Allyn and Bacon, Inc., 1984.
- D. Missouri State Senate. Boone County Community Services Directory. Jefferson City: Missouri State Senate.

- E. Weinstein, Grace W. The Lifetime Book of Money Management. New York: New American Library, 1983.

HELPFUL RESOURCES FOR TEACHERS

- A. Consumer Economics (Secondary): Reading Strategies, John E. Clon, Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016, 1985.
- B. Consumer Education, Maedke, Lowe, and Malouf, Glencore Publishing Co., 17337 Ventura Boulevard, Encino, CA 91316, 1984.
(NOTE: This textbook has many worksheets compatible with this unit.)
- C. Consumer Education Resource Materials Kit, Stewart M. Lee, Grennon College, Beaver Falls, PA 15010, 1985.
- D. Educator's Guide to Free Home Economics Materials, Patricia Horkheimer, Educators Progress Service, Inc., 214 Center Street, Randolph, WI 53956, 1984.
- E. How to Avoid Getting Ripped Off: Essential But Hard-to-Find Facts for Women, Carol L. Clark, Shadow Mountain Publications, P. O. Box 30178, Salt Lake City, UT 84130, 1985.
- F. Practical Business (Curriculum Guide), Deedee Napier, Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, MO 65211, n.d.
- G. Personal Finance (Curriculum Guide), Deedee Napier, Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, MO 65211, n.d.
- H. Reading Strategies for Improving Comprehension in Consumer and Economic Content Areas, Martha E. Imin and Ruby Meis, Michigan Consumer Education Center, 207 Rackham Blvd., Eastern Michigan University, Ypsilanti, MI 48197, 1984.
- I. Teaching Strategies for Consumer Economics, Robert Ristau, H. Michael Hartoonian, Peter R. Sears and Ruth G. Thomas, Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016, 1985.

Obtaining Financial Assistance Unit IX

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1-15	
I.1.	2	TM 1, 2, 3, 4		AS 6	JS 1	16, 17	LIXD4; MXH1
I.1.	3			AS 2, 3, 4, 5		18-19, 43-47	LIXD4; MXH1
I.1.	4	TM 1, 2, 3, 4	HO 1	AS 5	JS 2	20, 43-47	LIXD4; MXH1
I.1.	5	TM 1, 2, 3, 4	HO 2	AS 6	JS 1	53, 54	LIXD4; MXH1
I.2.	6	TM 1, 2, 3, 4	HO 1	AS 5	JS 2	14, 21	MXH1; SSIXO1
I.3.	7	TM 1, 2, 3, 4	HO 1		JS 2	22, 23, 55	SSIXO1
I.4.	8	TM 1, 2, 3, 4	HO 1, 2		JS 2	24, 56	LIXD4; MIXH1
I.5.	9	TM 1, 2, 3, 4		AS 6		25, 57-59	MIXH1,2
I.6.	10			AS 6		26, 57, 58	
I.7.	11			AS 6		27, 48-52, 58	
I.8.	12			AS 6, 7		28, 58, 59	
I.9.	13					28, 29, 58	MXH1
I.10.	14			AS 7		37-42, 58	
I.11.	15			AS 7		37-42, 58	
I.12.	16					30, 31, 58	

*Prerequisite Knowledge

543 See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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OBTAINING FINANCIAL ASSISTANCE

UNIT IX

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1; AS 1]

- A. Annual Percentage Rate (APR)--cost of credit per year.
- B. Bankruptcy--a legal proceeding in which a person who owes money, or his creditors, declares that the debt cannot be repaid; creditors may then take back items partly paid for, or the person's property/belongings may be sold to pay off creditors.
- C. Consolidation loan--one large loan taken out to pay off many small loans.
- D. Credit--a method of buying goods or services now and paying for them in the future; borrowing money now and promising to repay it in the future.
- E. Credit bureau--a company that provides credit information on consumers to those who loan money and to other credit bureaus.
- F. Creditor--a business or person that loans money to others.
- G. Credit rating--an evaluation of a person's ability and willingness to repay debts based on past financial performance and current financial standing.
- H. Credit unions--members join a cooperative and receive financial services as members. Nonmembers cannot use these services.
- I. Debt--the amount of money a person owes to a creditor.
- J. Finance charge--money a lender charges to cover the costs of maintaining your loan.
- K. Finance company--company that usually serves high-risk clients, providing them with small loans at high interest rates.
- L. Garnishment--an employer is legally charged to hold out a set amount of a debtor's salary to pay debts.

- M. Installment loan--a loan for goods with repayment made in a set amount over a set time limit with interest.
- N. Interest--amount paid to use money borrowed from others.
- O. Net worth--the difference between what an individual owns and what he/she owes.
- P. Principal--the original amount of a loan on which the interest is computed.
- Q. Repossess--to take back an article used as security for credit when the purchaser fails to make payments as agreed.
- R. Savings and loan association--financial organization that makes loans to individuals as defined in the 1980 Depositing Institutions Deregulation and Monetary Control Act.
- S. Security--an item of value pledged to the creditor if loaned money is not repaid.
- T. Unemployment--being without work even though an individual seeks employment.
- U. Unemployment compensation--payments made by a state for a limited amount of time to workers who have lost their jobs.
- V. Worker's compensation--insurance purchased by employers to cover employees' job-related injuries and illnesses.

II. Apply for and manage credit.

[Objectives 2-5; TM 1-4; HO 1, 2; AS 1-6; JS 1, 2]

A. Establish credit.

- 1. In order to secure loans, purchase items on installment, or obtain credit cards, it is necessary to establish a credit rating.
 - a. Creditors who lend money want to know about a person's ability and willingness to repay.
(NOTE: The first factor relates to paycheck size, the second to how well loans have been paid off in the past.)
 - b. For those who have a good income, have lived in one place for some time, hold a substantial amount of personal property (cars, jewelry, furniture), credit will be easier to secure.

2. Start a credit history by:
 - a. Maintaining a checking/savings account
 - b. Obtaining a small loan through a bank or other lending institution
(NOTE: Repay promptly to establish a good credit rating.)
 - c. Using a credit card responsibly
 - d. Purchasing personal goods on a time payment plan at a local retailer and repaying installments promptly
(NOTE: Many retailers provide credit cards which make it possible to establish credit.)
3. Credit bureaus
 - a. Credit bureaus maintain an individual's credit history.
 - b. Consumer loans make these files accessible to the individual.
(NOTE: If errors or misunderstandings are included in a file, the individual has the right to ask for removal of errors and the addition of corrections to the file.)
4. Credit based on age and sex
 - a. The Equal Credit Opportunity Act of 1975 prohibits discrimination against credit applicants on the basis of sex, marital status, race, religion, color, age or ethnic origin.
 - b. Women who apply for credit should follow several steps:
 - 1) A woman should use her name rather than a title, for example, Jane Smith instead of Mrs. Jane Smith. A woman should be sure to always use her own name, so that she (rather than her husband, if she is married) establishes her own credit history.
 - 2) If a woman's name changes due to marriage, she should write each creditor and indicate to them that she wishes to keep her credit separate from her husband's.
 - 3) Women should check with the credit bureau to see that their credit information is attached to their own individual account.
(NOTE: This is particularly important because a woman's husband could die and leave her with no personal credit history of her own.)
 - c. Young people also face credit difficulties.
 - 1) Retailers may offer teenagers their own charge accounts.
 - 2) A young person who receives a credit card should be expected to pay the

bills.

(NOTE: Parents may need to contact local stores to indicate that they will not be responsible for their teenager's bills.)

- 3) Creditors are not permitted by law to judge a credit applicant on the basis of age.
 - 4) A creditor may grant credit to graduating college seniors on the basis of their obtaining a good paying job.
- d. Older persons and credit
- 1) Some older persons have found their credit suddenly cut off when they retire or when they reach age 65.
 - 2) It is illegal to deny credit to individuals because of age or because they retire.
 - 3) Some creditors may require older persons to acquire credit insurance. Creditors, however, cannot deny credit if age prevents securing such insurance.

B. What determines ability to borrow?

1. Creditors will want to know the borrower's assets and liabilities, to determine his/her net worth. They look for:
 - a. Capacity--your ability to repay debts.
 - b. Collateral--assets you own that could be sold to pay off the debt.
 - c. Character--your record of paying off your debts.
2. Those who owe more than they own will have difficulty receiving credit.
3. Loan personnel will want to check on whether the borrower:
 - a. Works regularly
 - b. Is a stable family person
 - c. Pays debts on time
 - d. Has the earning capacity to pay back the debt
 - e. Has good character
 - f. Owns enough assets to cover the debt

C. Methods for determining personal debt capacity

1. A safe debt ceiling--this formula is a conservative estimate of debt capacity. It assumes an individual can handle a debt equal to one third of net income after expenses for housing, clothing, food and other necessities. Example:
 - a. You earn \$800 per month of \$9,600 per year.

- b. You spend \$450 per month or \$5,400 per year on rent, clothing, food, and other necessities.
 - c. Subtract \$5,400 from \$9,600 which leaves \$4,200.
 - d. $\$4,200 \times 1/3 = \$1,400$ (your debt ceiling)
- 2. A generous debt ceiling--this formula assumes consumers can handle a debt equal to 20 percent of their income. Example:
 - a. You earn \$1,300 per month take-home pay or \$15,600 per year.
 - b. $\$15,600 \times .20 \div \$3,120$ (your debt ceiling)
- 3. A formula based on never owing more money than you can pay off:
 - a. You earn \$1,500 per month or \$12,600 per year.
 - b. You allow 10 percent of that monthly amount for 18 months to repay your debt or $\$1,050 \times .10 = \$105 \times 18 = \$1,890$.
 - c. Your maximum debt ceiling is 15 percent or $\$12,600 \times .15 = \$1,890$.

D. Paying for credit

- 1. Using a lender's money to finance your purchase costs you money.
- 2. Lenders must convert this charge to the annual percentage rate (APR)
(NOTE: The greater the APR, the more costly the loan.)
- 3. Loan costs will vary among lenders based on size, interest rate, service charge and schedule of repayment.
- 4. Be sure when shopping for a loan to compare finance charges and APRs.
- 5. Shorter loans have lower finance charges.

E. Paying off a loan early

- 1. Most of your loan payment is for paying off interest on your loan during its early stages.
- 2. Should you pay off your loan early, lenders will compute the remaining amount of finance charge you owe.
 - a. The remaining balance you owe may be higher than expected.
 - b. You do not necessarily pay less interest because you pay the loan off early.
- 3. Creditors use a formula called the Rule of 78's or the Sum of the Digits to estimate the amount of interest you will pay at any point on a loan.
 - a. This computation determines the amount of interest you will not have to pay.

- b. The Truth in Lending Law requires that lenders tell you how interest is computed. Be sure to look for a prepayment disclosure before signing a loan agreement. Obtain clarification of areas you do not understand.

F. Sources of credit

1. Sources of credit may include finance companies, banks, credit unions, and savings and loan associations.
2. Shop for credit just as you do for any other good or service.

G. Regulations affecting financing

1. The Truth in Lending Act of 1968 was designed for those seeking financing; it requires that:
 - a. Total credit costs (finance charges) must be clearly stated.
 - b. The yearly rate the credit costs, the annual percentage rate (APR), must be identified.
2. The Equal Credit Opportunity Act of 1975 indicates that lenders cannot discriminate among credit applicants on the basis of race, sex or marital status.
3. The Fair Credit Billing Act of 1974 safeguards your rights with regard to truthful advertising, use of credit cards and canceling credit agreements (limited to specific circumstances). (NOTE: Should you be wrongfully billed on your credit card, follow these steps:
 - a. Within 60 days of receiving the bill, notify the creditor in writing. A phone call will not protect your rights.
 - b. Include your name, address, account number and reason you believe the bill is wrong.
 - c. Pay any portion of the bill that you do owe. (NOTE: Creditors must acknowledge your letter within 30 days and correct your account within 90 days.)
4. The Fair Credit Reporting Act of 1970 requires that if you are refused a loan, creditors must give you the name and address of the agency that reported you as a bad risk.
 - a. You have the right to review that agency's file free of charge.
 - b. You may request that the credit agency send information regarding the elimination of false information to those companies that issued such information.
5. The Fair Debt Collection Practices Act of 1977 is enforced by the Federal Trade Commission and prevents certain lender practices.

- a. Lenders cannot contact individuals at their place of employment if employers object.
- b. Lenders cannot contact parents, spouses or other concerned persons about an individual's debt unless authorized by a court.
- c. Lenders cannot intimidate, harass, or entrap debtors by posing as law enforcement agents in order to obtain debt payment.
- d. Lenders cannot call debtors at inconvenient times or have any contact with them if represented by an attorney.
- e. Once debtors have received a notice concerning nonrepayment of debt, communication by the lender is limited to indicating further steps to be taken by collection agencies.

III. Purchase items on installment.

[Objective 6; TM 1-4; HO 1; AS 5; JS 2]

- A. When purchasing an item, an installment loan may be obtained from a bank, finance company, or other source.
- B. This type of loan is often available to those who purchase autos, furniture, or appliances.
- C. These loans may be more costly than other types of loans.
- D. Shop around for such loans, because interest rates may vary.

IV. Take out a personal loan.

[Objective 7; TM 1-4; HO 1; JS 2]

A. Loans from friends/relatives

- 1. Although this is a less formal loan, it is important to treat it in a business-like manner.
(NOTE: Prepare a note to be signed and include the terms and conditions of the loan.)

B. Savings accounts

- 1. A savings account can be used to back up a loan.
- 2. Rates tend to be a bit lower, because the bank holds the savings.
- 3. The account is frozen while backing up the loan, but interest is earned.

C. Bank loans/credit unions

1. Such loans may be secured with a car, household goods, or other assets.
2. Banks structure loans in different ways.
3. Some banks and thrift institutions offer an open line of credit with the borrower's home provided as security.

(NOTE: Consumers should be cautious of such loans because those who borrow more than they can repay lose their homes.)

D. Finance companies

1. Many of these loans are now made in the form of second mortgages.
(NOTE: Only home owners can obtain such loans.)
2. Such loans are usually more expensive than those from banks or other thrift institutions.
3. Be sure to compare costs among agencies before securing a loan.

E. Pawnshops

1. Those who have personal property which they can leave, need money for only a short time period, and have no other source of funds, may use this source.
2. Interest rates may be higher than for other loans.
3. Furs and jewelry are frequently pawned items.
4. Loans can be renewed if the accumulated interest is paid off.
5. Pawnshops should not be the first place to seek funds.

V. Apply for and manage credit cards.

[Objective 8; TM 1-4; HO 1, 2; JS 2]

- A. Oil companies issue cards good only at their stations.
(NOTE: Some oil companies offer cash discounts when paid in cash rather than by credit card.)
- B. Retail stores provide free credit cards as long as prompt payments are made.
- C. Bank cards (Visa/Mastercard) can be used in numerous retail establishments.
 1. Bank cards allow the cardholder to pay a portion of the bill at a time along with an interest charge.

2. If a cardholder charges over his/her limit on the card, its further use may be denied until a portion of the bill has been paid.

D. Travel/entertainment cards (such as Diner's Club, American Express or Carte Blanche)

1. User must pay bill in full upon receipt.
2. Since these cards have no limit, they can be used for emergency expenses.
3. Annual fees are charged for use of these cards, but no interest charges are attached.
4. In a few limited cases, users may be able to extend payment of their bills over several months.
(NOTE: Interest is calculated at a set rate on these charges.)

E. Number of credit cards to own

1. Typical credit cards to have include a bank card, department store card, oil company card and perhaps a travel/entertainment card.
(NOTE: Some people prefer to have and use numerous cards, others may keep only one.)
2. Those who have credit cards should:
 - a. Make a list of the cards.
 - b. Record expiration dates.
 - c. Record the card numbers.
 - d. Record the name, address and telephone number of the card distributor.
(NOTE: Should your card be lost or stolen, contact the company to inform them of the loss immediately.)

VI. Handle financial problems.

[Objective 9; TM 1-4; AS 6]

A. Recognize financial problems.

1. Consumers should calculate the amount of debt they can handle in order to know their limits.
2. Consumers should know their debt ratio.
3. You are overextended if:
 - a. You pay bills later and later each month.
 - b. You depend upon "extra" earnings to cover monthly bills.
 - c. You borrow in order to pay existing bills.
 - d. You continually charge more and more items.
 - e. Your savings are used to pay current bills.
 - f. You are unable to save.
 - g. You pay interest due on bills but rarely the principal.

- h. You never quite pay the full amount of the bill.

B. Reduce debt level.

1. Acquire no more debts.
(NOTE: Put credit cards away so they cannot be used.)
2. Use cash for purchases.
3. Keep a record of all monthly expenditures in order to know how money is spent.
4. Begin to analyze income--are there sources that could be tapped to get out of debt.
(NOTE: A garage sale or extra job are sources of extra income.)
5. Identify sources of debt and list these.
6. List priorities--determine what is needed and what can be done without.
7. Decide which creditors to pay first.
 - a. List all loans, monthly payment, amount due, and the personal property or possession which backs up the loan (house, car, furniture, etc.)
 - b. Decide on a schedule of payment.
 - c. Talk with creditors and work out a repayment plan
(NOTE: Do not ignore bills, as this just makes things worse.)
 - d. When debts are not paid the personal possession used to back up the debt may be repossessed.
(NOTE: Even if possessions are repossessed, the borrower still owes the creditor the amount due on the bills. It is better to sell personal possessions for cash to pay off the debt than to have repossession included in a credit history.)
8. Avoid situations in which wages are garnished.
 - a. This procedure causes a lot of paperwork for the employer.
 - b. Credit history is affected.

C. Obtain financial counseling.

[Objective 10; AS 6]

1. Those who have difficulty managing may want to use a consumer credit counseling agency.
(NOTE: To find the nearest agency, contact: National Foundation for Consumer Credit, 8701 Georgia Avenue, Suite 601, Silver Spring, MD 20910.)

2. These agencies help families develop debt management plans.
 3. They may make payments for the individual from his/her salary.
 4. They typically charge a small fee for services.
- D. A consolidation loan can also be used to pay debts.
1. Before using such a loan, determine whether or not it will really help.
 2. This type of loan is unlikely to solve the problems of those who cannot meet their current debts.
- E. Apply for personal bankruptcy.

[Objective 11; AS 6]

1. People from all income levels have declared bankruptcy.
2. Factors which influence bankruptcy are high inflation, unemployment, overuse of credit, lack of long-term planning.
3. There are two types of bankruptcy:
 - a. Chapter 13
 - 1) The individual declares bankruptcy, but keeps his/her property.
 - 2) A portion of the individual's income is set aside to pay debts.
 - 3) Repayment periods run from three to five years.
 - 4) Relatives who have cosigned credit applications also are liable for the debts. Creditors must wait until it is proven that the individual will not pay.
 - b. Chapter 7
 - 1) The individual's assets are sold to pay debts.
 - 2) The court appoints a trustee to oversee the sale.
 - 3) The individual is allowed to keep a portion of home equity, car, household goods, professional tools and supplies, and some jewelry.
 - 4) Relatives who have cosigned credit applications can be immediately liable for the debts under Chapter 7.
4. No matter which form is used, some debts remain, for example, child support and taxes.
5. Bankruptcy can only be declared once in six years.
6. Declaring bankruptcy may prevent an individual from receiving credit in the future.

F. How to survive when a job is lost:

1. Be sure there is some sort of savings cushion to fall back on.
(NOTE: Remember, all budgets need an emergency fund for just such events.)
2. Check on Social Security benefits.
3. To obtain funds, it may be necessary to sell investments or take out a loan against a life insurance policy.
4. Analyze personal work skills and try to get temporary employment.
5. Reduce expenses by cutting back on food, clothing and housing.
6. Allocate money to hunt for a job (bus fare, lunches, resumes) or to get retraining in order to be more employable.
7. Be sure to check on insurance--try to pay premiums.
(NOTE: Many organizations provide group insurance rates to members.)
8. Limit the use of credit.

VII. Obtain assistance during financial difficulties. (AS-4)

[Objectives 12-16; AS 6, 7]

A. Obtain government loan.

1. Farmers Home Administration
 - a. Provides farm loan programs for ownership and operation of family-size farms and ranches
 - b. Helps qualified young people finance their entry into farming
 - c. Loans may be used for land, buildings, equipment, supplies and other expenses.
 - d. Finance small nonagricultural businesses through which farm families can supplement their incomes
 - e. Interest rates may be reduced during years in which farmers are getting established
 - f. Provides emergency loans to help overcome losses from natural disasters or poor economic conditions
 - g. Loans may also be used for land and water conservation and to reduce pollution.
 - h. Farmers can form an association of as few as three people and obtain loans to meet a collective need.
 - i. Loans are available to Indian tribes for purchasing privately owned land within their reservation and restoring the land to use.
 - j. Low interest loans are available for housing to low income applicants.

(NOTE: Loans are made to residents of rural areas with populations of less than 10,000.)

- k. Repair loans are available to low income residents and the elderly to make their homes safe and hazard free.
- l. Loans may also be used for building or improving public facilities such as hospitals, fire and police departments, libraries, schools, and recreation centers.
(NOTE: In Missouri, the FMHA state office is located at: 555 Vandiver Drive, Columbia, Missouri 65201; Tel. 314/442-2271)
- 2. Missouri Housing Development Commission
 - a. Established by the 75th General Assembly
 - b. Strives to provide housing for low and moderate income families
 - c. In 1985, the Commission financed over 18,000 multiple family housing units for low or moderate income families, 19,000 single family homes, and rehabilitated 475 housing units.
 - d. Provides services for homeless Missourians in both St. Louis and Kansas City
 - e. Those eligible for such loans must be first-time homebuyers who meet certain income qualifications.
 - f. Unless action is taken by the legislature, loans for single family homes will cease on December 31, 1987.
 - g. Nonprofit groups (churches, labor unions, civic organizations) can form a nonprofit corporation and apply for financing.
 - h. The location of the Commission is: 3770 Broadway, Kansas City, Missouri 64111; Tel. 816/756-3790

B. File for worker's compensation.

- 1. Takes care of medical expenses and gives the injured or ill worker money to live on until he/she can go back to work.
- 2. Self-employed business persons with less than four employees, as well as farm laborers and domestic servants, may not be covered.
- 3. Covers accidents and diseases which are the result of employment, for example, pesticide poisoning.
- 4. Coverage is automatic once an individual is employed.
- 5. Injury should be reported to the employer immediately; benefits can begin once paper work is completed.
- 6. The employer and insurer can choose the doctor, hospital or medical facilities or may also tell the worker to see his/her own doctor.

7. Workers are guaranteed medical care, medicines, hospital fees, lab tests.
8. All costs are paid indirectly by the employer's insurance company.
(NOTE: To obtain further information contact: Missouri Division of Worker's Compensation, P. O. Box 58, 722 Jefferson Street, Jefferson City, Missouri 65102; Tel. 314/751-4231.)

C. Apply for unemployment compensation.

1. Those who are unemployed should register with the Missouri Division of Employment Security Job Service in their area.
2. To receive benefits, an individual must have been an insured worker.
3. A claim must be filed.
4. The individual must be available for jobs and actively seeking work.
5. When a claim is filed, there is a waiting period before payments are received.
6. Compensation is not available if a worker voluntarily quits his/her job, refuses to work, was discharged from job for misconduct, or involved in a strike.
7. Contact the local division of employment security for further information.

D. Use employment security services.

1. Helps individuals become employable, provides employers with well qualified applicants, and provides eligible workers with income during periods of involuntary unemployment
2. Provides a computerized job listing service
3. Assists minorities, veterans, the handicapped, females, older workers, and youth in obtaining employment
4. Provides employment counseling.
5. Provides services to the disadvantaged and long-term unemployed
6. Financed through payroll taxes on employers
7. Also provides a placement service for temporary labor (for example, yard workers, truck loaders), assembles data on employment and unemployment, and provides a speakers bureau free of charge
(NOTE: For further information, contact: Missouri Department of Labor and Industrial Relations, Division of Employment Security P. O. Box 59, Jefferson City, Missouri 65104; Tel. 314/751-3215)

E. Obtain family services assistance.

1. The Division of Family Services offers numerous programs for those in need, including:
 - a. Medical assistance to the elderly, handicapped, and blind
 - b. Aid to families with dependent children
(NOTE: Services try to keep families together.)
 - c. General relief to the needy and medically unemployable adults
 - d. Nursing care for those confined to a care facility
 - e. Aid to the blind who need a supplement to their existing income to meet basic needs
 - f. Children's services, including:
 - 1) Adoption services
(NOTE: Offers a Foster-Adoptline to assist in placing children:
Tel. 1-800/554-2222)
 - 2) Parent stress helpline
(NOTE: Offers crises counseling 24 hours-a-day, 7 days a week:
Tel. 1-800/367-2543)
 - 3) Child abuse/neglect hotline
(NOTE: Accepts confidential report of child abuse, neglect, or exploitation:
Tel. 1-800/392-3738)
 - 4) Alternative care services
(NOTE: For children of parents incapable of caring for them; offers a substitute family setting)
 - 5) Child care licensing
(NOTE: Inspects and licenses child care, child placement, and day care facilities. Strives to maintain high quality services)
 - 6) Children's treatment services
(NOTE: Helps abused or neglected children; strives to keep them in their own home)
 - 7) Child support enforcement
(NOTE: Locates absent parents and obtains court orders to secure child support or establish who is the father of children)
 - 8) Food stamps
(NOTE: Food coupons, which can be used in many grocery stores, are provided to low income families. The coupons cannot be used for alcohol, tobacco, hot foods, or foods for immediate consumption, but can be used to buy garden seed to produce food for the household. Food

coupons are intended to reduce hunger and malnutrition in families.)

- 9) Food distribution program
(NOTE: Food listed as surplus by the U.S. Department of Agriculture is distributed to eligible families.)

- 10) Donated food program
(NOTE: USDA food is distributed to charitable organizations such as nursing homes, day care centers, correctional institutions, hospitals, and senior citizen centers.)

- 11) Community services block grants
(NOTE: Assist the under-employed, -educated, -housed, or -fed use their resources effectively and also provide assistance in emergency situations)

- 12) Refugee assistance program
(NOTE: Helps refugees adjust, resettle, learn English, develop job skills, and become self-supporting)

- 13) Low income home energy assistance
(NOTE: Helps those in need manage to pay their heating bills)

- 2. Family service programs are supported by federal, state and local government units.

(NOTE: For further information, check with the local county office or: Department of Social Services, Division of Family Services Broadway State Office Building, Jefferson City, Missouri 65101.)

Reasons for Credit Use

1. It's convenient, no need to carry lots of money around.



2. It provides a ready cash reserve.



3. You can take advantage of sales.



4. You can acquire "big cost" items.



Dangers of Credit Card Use

1. You may be tempted to over-spend.



2. You may overlook the "hidden" costs.



3. You will pay more than if using cash.

4. You may be easily misled.

$$\$50.00 \times 1.22\% = \$61.00$$



Building Blocks of Credit

- Evidence of Good Character
- Stable, Regular Employment
- Capacity to Repay the Debt
- Available Capital
- Record of Paying Debts on Time
- Collateral to Back Up Credit
- Common Sense in Using Credit

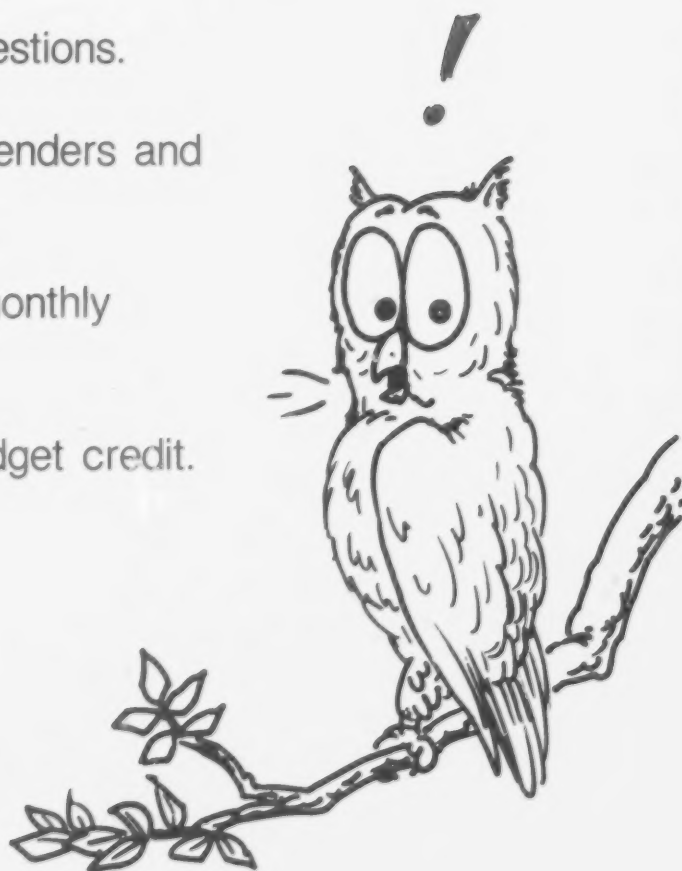


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Beware! Be Wise!

Keep Credit Use Down to Size

1. Don't overbuy.
2. Know the exact TOTAL you owe.
3. Know the interest rate.
4. Know the contract terms.
5. Don't be afraid to ask questions.
6. Deal only with reputable lenders and sellers.
7. Be sure you can afford monthly payments.
8. Plan your spending - budget credit.



REMEMBER: Credit costs money, use it only when you need it!

A Credit Application for a Charge Account

Signature An Applicant, If Married, May Apply for a Separate Account.		For Office Use Only A85	
I (we) have read and signed the credit agreement above and acknowledge having the agreement to retain for my (our) records.		Applicant's Signature _____ Date _____ Co-Applicant's Signature _____ Date _____	
For Office Use Only			
Store Number	FLC	R1	CBC
Account Number	Date	TB	ID
General Information—(Please Print All Information)			
Type of Account You Want: (Check One) ☐ Individual ☐ Joint		Have You Applied for a Byers Account Before? Applicant Where ☐ Yes ☐ No Co-Applicant Where ☐ Yes ☐ No	
Name of Applicant to Whom Our Billing Statements Should Be Sent (First) _____ (Initial) _____ (Last) _____		Social Security Number	Date of Birth
Name of Co-Applicant (If Joint Account Requested) (First) _____ (Initial) _____ (Last) _____		Social Security Number	Date of Birth
Name and Relationship(s) to Applicant(s) of Any Other Person (s) You Will Allow to Charge Purchases to Your Account (First) _____ (Initial) _____ (Last) _____		Relationship: _____	
Information about Co-Applicant (If Joint Account Requested)		Information about Applicant to Whom Our Billing Statements Should Be Sent	
Present Residence Address—Street: _____		Present Residence Address—Street: _____	
City, State _____ Zip _____		City, State _____ Zip _____	
Area Code & Phone Number () _____	How Long at this Address Yrs _____ Mos _____	Monthly Mgt. / Rent _____	
Do You ☐ Own ☐ Rent ☐ Own Mobile Home ☐ Live with Parents ☐ Other (Please Specify) _____			
Former Address—Street: _____		How Long _____	
City, State _____ Zip _____		City, State _____ Zip _____	
Employer's Name (Give Firm's Full Name) _____		How Long _____	
Employer's Address (Street/City/State) _____		Business Telephone _____	
Type of Business _____	Present Position _____	Monthly Salary _____	
You Need Not Furnish Alimony, Child Support, or Separate Maintenance Income Information If You Do Not Want Us to Consider It in Evaluating Your Application			
Other Income—Source (s) _____		Amount (Monthly) _____	
Other Income—Source (s) _____		Amount (Monthly) _____	
Bank Accounts (Include Co-Applicant's If Joint Account Requested)			
Bank—Branch 1	Account in the Name of _____	Checking & Savings ☐	Checking ☐
Bank—Branch 2	Account in the Name of _____	Checking & Savings ☐	Checking ☐
Credit References (Include Co-Applicant's If Joint Account Requested)			
Credit Cards (Include Loan or Finance Companies) Firm Name _____	Location _____	Account/Loan Number _____	Account/Loan in the Name of _____
1			
2			
3			
Personal Reference			
Name of Person Not Living at Address of Applicant or Co-Applicant _____		Relationship to Applicant _____	
Present Residence Address (Street/City/State) _____			

A Monthly Charge Statement

ACCOUNT NUMBER

Whenever you are buying, paying, returning merchandise or just inquiring about your account—
ALWAYS MENTION THIS NUMBER.

Byers		revolving charge account			
Please mention this number when ordering or making any payment. Please mention this number when ordering or making any payment. AMOUNT DUE AMOUNT PAID					
Date	Ref. Number	Transaction Description		Charges	Payments & Credits
①	②	③	④	⑤	⑥
ACCOUNT NO.		BILLING DATE	PREV. BALANCE	NEW BALANCE	MINIMUM PAYM'T
		⑦	⑧	⑨	⑩
NOTICE: Interest rate 12% per annum. Minimum payment 2% of new balance.				<i>Thank you</i>	

AMOUNT DUE

The installment payment due on your account as well as the new balance are shown here.

AMOUNT PAID

Please enter the amount you are sending and enclose this part of your statement.

Check Each Item Below with Your Own Statement

1. **DATE** — This is the date on which each transaction was posted to your account.
2. **REFERENCE NUMBER** — Describes the transaction to Credit Sales Dept. personnel in the event you have a question regarding it.
3. **TRANSACTION DESCRIPTION** — Catalog Sale, Retail Sale, Return, Payment, Finance Charge, etc.
4. **DEPARTMENT NUMBERS** — Indicate the type of merchandise you purchased or returned. On the back of the statement you will find the kind(s) of merchandise carried in each department.
5. **CHARGES** — These are the amounts being added to your account.
6. **PAYMENTS AND CREDITS** — These are the amounts being subtracted from your account.
7. **BILLING DATE** — Month, day and year on which statement was prepared.
8. **PREVIOUS BALANCE** — This was the balance remaining at the beginning of the current billing period.
9. **NEW BALANCE** — Balance remaining at the end of the current billing period.
10. **MINIMUM PAYMENT** — This is the minimum amount you are required to pay on your account.

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566

567

HO2

Points Earned: _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ASSIGNMENT SHEET 1--COMPLETE CREDIT TERMS CROSSWORD PUZZLE

Directions: Complete this crossword puzzle by filling in the credit terms which match the definitions.



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ACROSS

2. A company that provides credit information on consumers is called a credit _____.
5. Insurance purchased by employers to cover employees' job-related injuries and illnesses is called _____ compensation.
6. Holding out a set amount of a debtor's salary to pay debts.
7. A method of buying goods or services now and paying for them in the future.
9. An evaluation of a person's ability and willingness to repay debts is called a credit _____.
10. Payments made by a state to workers who have lost their jobs is called _____ compensation.
12. A loan for goods with repayment made in a set amount over a set time limit with interest is called an _____ loan.
14. To take back an article used as security for credit when the purchaser fails to make payments as agreed.
15. A business or person that loans money to others.

DOWN

1. A legal proceeding in which a person who owes money declares that the debt cannot be repaid.
3. One large loan taken out to pay off many small loans is called a _____.
4. The original amount of a loan on which the interest is computed.
8. An item of value pledged to the creditor if loaned money is not repaid.
11. The difference between what an individual owns and what he/she owes.
13. The amount of money a person owes to a creditor.

Name _____
Point Value _____
Points Earned _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ASSIGNMENT SHEET 2--COMPARE APR'S FROM TWO SOURCES

Directions: Compute the APR's of two loans from different sources.

Formula for computing APR: $\frac{24 F}{L (N + 1)}$

Where F = finance charges
L = total loan (principal)
N = number of monthly payments

(NOTE: 24 is computed by taking 2 x the number of payments per year.)

Problem: You wish to purchase a \$12,000 car. You will use \$6,000 from your savings to cover half the cost and borrow \$6,000 from a lender.

1. You go to your local bank and ask to borrow \$6,000 with repayment in 36 monthly installments. The lender indicates that you will be charged a \$1,700 finance charge. Complete the formula to compute the APR.

$$\frac{24 F}{L (N + 1)} = \frac{24 \times 1,700}{6,000 \times 37} = \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \%$$

2. You decide to check with a local finance company to see what they will offer you for the same amount of money over the same time period. The finance company representative indicates that you will be charged a finance charge of \$1750. Use the formula to compute the APR.

$$\frac{24 F}{L (N + 1)} = \underline{\hspace{2cm}} = \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \%$$

3. If the bank tells you only that your monthly payments will be \$213.88 you can still determine your APR by using the same formula with one additional step. You will need to multiply the monthly payment by the number of months the money is loaned. Then complete the same formula as given in number 1.

Compute the APR using this method.

Monthly payment	213.88
<u>x Number of payments</u>	<u>x 36</u>
= Total amount you will pay	= _____

Amount you will pay	_____
<u>- Loan amount (principal)</u>	<u>- _____</u>
= Finance charge	= _____

$$\frac{24 F}{L (N + 1)} = \text{_____} = \text{_____} = \text{_____} \%$$

Name _____
Point Value _____
Points Earned _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ASSIGNMENT SHEET 3--USE THE RULE OF 78'S

Directions: Compute the rule of 78's for a specific loan after reviewing the example below for calculating the formula.

EXAMPLE

Computing the rule of 78's involves the following steps:

- A. For a 12-month installment loan, add the numbers 1 through 12.

$$1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12 = 78$$

- B. Use the following shortcut formula to calculate payments.

$$\frac{N}{2} \times (N + 1)$$

Where N = number of payments
in a 12-month loan.

$$\frac{12}{2} \times (12 + 1) = 6 \times 13 = 78$$

This result means that the first payment equals 12/78 of the total interest payment; the next payment is 11/78, and so on to the final payment which is 1/78.

Problems

1. Mary and Sam want to make an addition to their home. They obtain a \$5,000 loan from their local savings and loan association. Interest on the loan is \$435. The total of \$5,435 is to be paid in 24 equal installments of \$386.

Compute the rule of 78's using the formula in example B above.

$$\frac{N}{2} \times (N + 1) = \frac{\quad}{2} \times (\quad + 1) = \quad \times \quad = \quad$$

The first payment equals what part of the total interest?

Name _____
 Point Value _____
 Points Earned _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ASSIGNMENT SHEET 4--COMPUTE THE COST OF CREDIT

Directions: A business offering services must charge enough for these services to pay the expenses of doing business and to assure a reasonable profit. If a consumer is allowed by a business to use money or goods for a specific period of time without paying for them, this is a service called credit. businesses charge for the use of this service by charging a percentage rate of interest.

Using one of the two formulas below, compute the cost of credit for each of the following problems.

FORMULA A

Amount of Payment
x No. of payments

Total consumer pays
- Value of item purchased (sale price)

Cost of credit

EXAMPLE

\$ 47.50
x 12 monthly

570.00
-500.00

\$ 70.00

FORMULA B

Value of item purchased (sale price)
x True annual percentage rate

Cost of credit for 12 months

EXAMPLE

\$500.00
x .14

\$ 70.00

Problems

Cost of Credit

1. Jimmy purchased a set of Handyman How-to books for \$75 and on the publisher's easy-payment plan, he made payments of only \$7.50 a month for one year. What was his cost of credit? _____
2. Carol used her revolving credit card at the department store and bought a winter coat (originally selling for \$120) on sale for \$85. By charging the purchase, she was charged an annual percentage rate of 18%. What would be the cost of credit at the end of the year? _____

3. Elliott and Edward bought a second-hand television set from a pawnshop for \$40. They agreed that each of them would pay the pawnshop owner \$2 monthly for a period of two years. What is the total cost of credit on the television?

4. What is the cost of credit on a personal loan of \$950 for one year at an annual percentage rate of 14%?

5. Marsha purchased a \$150 sewing machine and signed an installment agreement to pay \$10 a month for 18 months. What is the cost of credit?

6. Fred bought a stereo receiver for \$350 and used his bank credit card to charge the purchase. The credit card charges 12% annual interest but doesn't specify a pay limit. Fred paid the entire account in one month. What was his cost of credit for the one month?

7. Ann received an advertisement in the mail which read: "Buy this lovely set of fine china for only \$125 plus a small 1 1/2 % finance charge per month for one year." If Ann purchased the set, what would be the annual cost of credit?

8. Linda bought a new sports car for \$8,400 which, the dealer pointed out, included the cost of a 12% annual credit charge. Linda decided to buy the car and took out a loan for \$8,400 at 10% APR with the dealer (because 10% was a good auto loan rate). What was the total cost of credit Linda actually would be paying per year?

Name _____
Point Value _____
Points Earned _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ASSIGNMENT SHEET 5--COMPLETE AN INSTALLMENT CONTRACT

Part One

Directions: Read the sample sales installment contract on the back of this page. Then answer these questions:

1. Does the contract specifically state the cost of credit?
Where? _____
2. Does the contract clearly tell the buyer when the installment payments are due? _____
3. Does the contract clearly state how much each installment payments are due? _____
4. If the buyer does not make the installments and defaults on the contract, what actions will the seller take? _____

5. After signing the contract, can the buyer talk to the seller and change the specified amount of each installment (as long as the total is paid someday)? _____

6. Is there an age limit for the buyer? _____ If so, what is it? _____

Part Two

Directions: Using the specific facts given below, fill in and complete the sample sales contract.

Terry Morris, who lives at 3114 Windsor Drive of this city, purchased form Langley Jewels, 814 Main Street, on October 22, 1987, a .57 carat round diamond ring.

The ring is mounted in a 6-prong solitaire white gold setting and contains no other jewels. The stock number for the ring is WJ-57W-0360 and it sells for \$600, plus 4% state sales tax. There is no federal excise tax on diamonds.

Terry took advantage of Langley's "Bright Promise Diamond Plan" and paid 1/3 of the purchase price as a down payment and therefore qualified for the plan's low credit charge of 10% annually. He will pay the remaining balance plus the 10% interest (based on cash and tax price) in twenty-two equal payments which will become due the fifteenth of each month beginning next month.

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LANGLEY JEWELS

Date _____ Buyer's name _____
 Seller _____ Address _____
 Address _____

I, (meaning buyer), purchase from the seller the following:

Item _____ \$ _____

Cash Price	\$ _____	Total Amount Owed	\$ _____
Sales Tax	_____	Down Payment	_____
Federal Tax	_____	Cash	_____
Credit Service Charge	_____	Trade-in	_____
		Balance	_____
APR. _____ %			\$ _____

which is payable in installments of \$ _____ on the _____ day of each month beginning _____. In case of default, the total amount due is collected by the seller's attorney and, in addition, the buyer pays the attorney's fee not exceeding 20% of the amount.

Title to the item under this contract is retained by the seller until full payment is received. The buyer will keep the goods safely, will pay all taxes on goods and will not attempt to sell goods without the seller's consent in writing.

The full balance will become due on default without notice to buyer, and seller may repossess goods and collect expenses. The buyer waives the right to jury trial in any law suit based on this contract. The buyer has the right to redeem goods or require their sale at public auction according to the law of this state.

This is our entire agreement which the buyer promises to perform. It cannot be changed orally. Seller is responsible for his or her obligations assigned in this contract. The buyer is over 21 years of age and is authorized to sign the agreement.

THIS IS A CONDITIONAL SALES CONTRACT

Accepted:

Seller's Signature _____ Buyer's Signature _____

Date _____ I have received a signed copy of this contract.

Buyer's Signature _____

Name _____
Point Value _____
Points Earned _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ASSIGNMENT SHEET 6--DEVELOP A PLAN FOR MANAGING FINANCIAL PROBLEMS

Directions: Imagine that you are a credit counselor at the local financial counseling center. Ray and Susan Standford have come to you for help. Read their case study below. Then answer the questions that follow and describe your plan to help them work their way out of their problems with overextended credit.

Case Study:

"Counselor, we need help. We're in debt so far now I just don't know what to do," Ray stated sadly.

"We're desperate! What can a person do when food money has to be used to pay the light bill, and that still doesn't begin to pay all the other bills that are piling up?" Susan added.

"We're slipping so far behind," Ray continued, "it would take two months' salary from both of us to catch up on our utility bills, and that doesn't even count our rent, car payments, stereo and color TV or the load of new clothes Susan just bought!"

"Ray, I've explained a thousand times--I had to buy something decent to wear when I had to take this new job. It's a lot more pressure and work, but I thought the extra money would help out. But things don't seem to be getting better anyway!" Susan exclaimed angrily. She added in exasperation, "Besides, you're hardly the one to talk! You spend every extra penny you earn on all that expensive stereo equipment--and what about your new home gym!"

"OK, OK!" Ray yelled, "but at least I don't charge everything I see! I try my hardest to pay cash, you know."

Both Ray and Susan appeared depressed--almost desperate. They were honest, hard-working people who couldn't figure out how they had overextended themselves. When they realized how badly they were in debt, they believed the only course of action left for them to take was to declare bankruptcy and "start over."

Questions:

1. Is there evidence of emotional strain? Explain.
2. Do you feel this strain could extend itself to affect Susan and Ray's marriage and on-the-job performance?
3. Do you feel that the only course of action left to take would be to petition for bankruptcy?
4. Can a person simply "start over" after declaring bankruptcy? Explain.
5. Can you identify specific errors that each one made which contributed to the overextension?
6. Can you give suggestions on items that they might sell to give them quick cash?
7. List aids available to help those with overextended credit.
8. Describe your plan of action to help them work toward a solution of their problems. Be specific.

Name _____
Point Value _____
Points Earned _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ASSIGNMENT SHEET 7--DESCRIBE WORKER'S COMPENSATION AND UNEMPLOYMENT COMPENSATION

Directions: Below are incomplete statements about worker's compensation and unemployment insurance followed by descriptive terms. Circle the term(s) which accurately complete each statement.

1. Worker's compensation helps to cover
 - (a) Medical expenses
 - (b) Work expenses
 - (c) Housing expenses
2. All workers are covered by worker's compensation except
 - (a) Railroad workers
 - (b) Coal miners
 - (c) Farm workers
 - (d) Truck drivers
3. Worker's Compensation covers such things as
 - (a) Accidents
 - (b) Colds
 - (c) Eating disorders
 - (d) Job-related diseases
4. To receive unemployment compensation an individual must
 - (a) Hold a job
 - (b) Attend classes
 - (c) File a claim
 - (d) Seek work
5. Unemployment compensation is not available to an individual who is
 - (a) Fired
 - (b) Of school age
 - (c) On strike
 - (d) Physically handicapped

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

Across:

2. bureau, 5. workers, 6. garnishment, 7. credit, 9. rating,
10. unemployment, 12. installment, 14. repossess, 15. creditor

Down:

1. bankruptcy, 3. consolidation loans, 4. principal, 8. security,
11. net worth, 13. debt

ASSIGNMENT SHEET 2

$$1. \frac{24F}{L(N+1)} = \frac{24 \times 1,700}{6,000 \times 37} = \frac{40,800}{222,000} = .1837 = 18.3\%$$

$$2. \frac{24F}{L(N+1)} = \frac{24 \times 1,750}{6,000 \times 37} = \frac{42,000}{222,000} = .1891 = 18.9\%$$

$$3. \begin{array}{r} 213.88 \\ \times 36 \\ \hline 7,699.68 \end{array} \quad \begin{array}{r} 7,699.68 \\ - 6,000.00 \\ \hline 1,699.68 \end{array} \quad \frac{24F}{L(N+1)} = \frac{24 \times 1,699.68}{6,000 \times 37} = \frac{40,792.32}{222,000} = .1837 \text{ OR } 18.3\%$$

ASSIGNMENT SHEET 3

$$1. \frac{N}{2} \times (N+1) = \frac{24}{2} \times (24+1) = 12 \times 25 = 300$$

The first payment equals 24/300 of the total interest.

$$2. \frac{N}{2} \times (N+1) = \frac{9}{2} \times (9+1) = 4.5 \times 10 = 45$$

$$\frac{45}{300} \times 435 = \frac{19,575}{300} = \$65.25 \text{ (REBATE OR INTEREST SAVED)}$$

ASSIGNMENT SHEET 4

- | | |
|---------------|--------------------------------------|
| 1. \$15 | (\$7.50 X 12 = \$90.00 - \$75.00) |
| 2. \$15.30 | (\$85.00 X .18) |
| 3. \$56.00 | (\$4.00 X 24 - \$96.00 - \$40.00) |
| 4. \$133.00 | (\$950.00 X .14) |
| 5. \$30.00 | (\$10.00 X 18 = \$180.00 - \$150.00) |
| 6. \$3.50 | (\$350.00 X .12 = \$42.00/12) |
| 7. \$22.50 | (.015 X 12 = .18 X \$125.00) |
| 8. \$1,848.00 | (8,400 X .12 = \$1,008.00) |
| | (8,400 X .10 = 840.00) |

ASSIGNMENT SHEET 5

Part One

1. Yes--listed under "credit service charge," APR (annual percentage rate) and on exact amounts of installments to be made.
2. Yes
3. Yes
4. It could be collected through seller's attorney (with buyer paying his or her fee not exceeding 20%), or seller could repossess good and could file suit with waived right to jury trial for buyer.
5. No, a new contract must be written and signed. Oral changes are void.
6. Yes--21 years of age.

Part Two

LANGLEY JEWELS

Date October 22, 19-- Buyer's name Terry Morris
 Seller Langley Jewels Address 3114 Windsor Drive
 Address 814 Main Street

I, (meaning buyer), purchase from the seller the following:

Item <u>One (1) round cut diamond</u>	\$ <u>600</u>
<u>.57 carat, white gold</u>	
<u>solitaire ring #WJ-57W-0360</u>	
Cash Price	\$ <u>600.00</u>
Sales Tax	<u>24.00</u>
Federal Tax	<u>--</u>
Credit Service Charge	<u>62.40</u>
APR. <u>10</u> %	
Total Amount Owed	\$ <u>686.40</u>
Down Payment	
Cash	<u>200.00</u>
Trade-in	<u>--</u>
Balance	<u>486.40</u>
	\$ <u>486.40</u>

which is payable in installments of \$ 21.20 on the 15 day of each month beginning November. In case of default, the total amount due is collected by the seller's attorney and, in addition, the buyer pays the attorney's fee not exceeding 20% of the amount.

ASSIGNMENT SHEET 6

Answers will vary. Evaluated to the satisfaction of the teacher in accordance with material presented in the Information Sheet. Possible answers include, but are not limited to, the following:

1. Yes--their apparent depression, states sense of desperation, and irritation with another.
2. Yes--stress, strain and worry have been shown to affect both adversely.
3. No--they are both still earning incomes and have assets, so there are many possible remedies for their problem besides bankruptcy.
4. No--although previous creditors are paid, the social stigma and harmful effect on credit ratings may persist for several years and be very difficult to overcome.
5. Poor budgeting (they had to use food money to pay utility bills), overpurchasing with charge accounts and installment contracts (for Susan's new wardrobe and Ray's stereo and

home gym besides the color television and car payment contracts), etc.

6. Stereo, color television, home gym equipment, perhaps some of Susan's new clothes or even their car if transportation alternatives were available (car pools, bus, etc.)
7. Counseling, extended payment plans, bill consolidations loans, wage assignment or garnishment.
8. Answers will vary and may include items listed in #7 above.

ASSIGNMENT SHEET 7

1. medical expenses
2. farm workers
3. accidents, job related diseases
4. file claim, seek work
5. fired

Name _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

JOB SHEET 1--DEBATE THE ADVANTAGES AND DISADVANTAGES OF USING CREDIT

Directions: Role-play the following situation with one (or more) classmate(s) to debate the advantages and disadvantages of using credit.

After the debate, discuss in class what has been learned about using credit. Develop a list of "Tips for Using Credit Wisely" and put it on the chalkboard, bulletin board, or a poster.

Two (or more) students are window-shopping in a shopping center. One student sees a display of new stereo sets on sale and wants to rush into the store immediately to buy the set on credit. The other student asks if the set couldn't be purchased with cash. "But I'm already flat broke for this month!" the first student replies. Then the students debate the advantages and disadvantages of using credit.

Evaluation Criteria		Point Value	Points Earned
1.	Participated in role-play/ debate		
2.	Participated in class discussion		
3.	Contributed to list of credit tips		
Total Points			

Name _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

JOB SHEET 2--APPLY FOR CREDIT

Directions: Use the case study information provided below to complete "A Credit Application for a Charge Account" (Handout 1).

Casper G. and Claire A. Newell are a childless married couple who live at 1228 Bridgeport Way, Bestown, Missouri 65102. Their telephone number is (417) 321-1234. Casper was born on January 12, 1960. For the past five years he has worked at the Commercial Planners Corporation, 2121 Corporate Drive, Bestown, telephone (417) 121-2301, as an architectural specifications writer. His monthly take-home pay is \$1,250 (Social Security #000-00-0010). Kate was born on April 11, 1960. For the past three years she has worked as a telecommunications specialist with the Fairweather Telephone Company, 407 Main Street, Bestown, telephone (417) 103-6854. Her monthly take-home pay is \$1,300 (Social Security #001-00-0000). Claire and Casper rent a duplex for \$430 a month, where they have lived for the past three years. Their previous home was in a trailer at the Shadyway Trailer Court, Highway 10, Bestown, where they lived for two years. Claire's mother, Nancy Webster, also lives in Bestown at 4372 Garden Drive.

Casper and Claire have decided to apply for a charge account (in both their names) at Byers Department Store, where they like to shop for clothing and household items. They already have a credit card with Buymax, P.O. Box 982, Chicago, Illinois, card #010-222-12342 and with General Oil Company, 342 Johnson Drive, Carson, Texas, card #5943-207. In addition, they have a loan (#74601) for their new refrigerator from Kwikredit, 5309 Terrence Boulevard, Bestown. The Buymax card is in Caspar's name, the General Oil Company card is in Claire's name, and the Kwikredit loan is in both names. They have joint checking and savings accounts at Bestown Community Bank.

Evaluation Criteria	Point Value	Points Earned
1. Obtained necessary information from case study to complete application		
2. Provided correct information*		
3. Printed neatly and legibly		
Total Points		

*(NOTE: Answers are provided at the end of the "Answers to Test" section.)

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Name _____
Point Value _____
Points Earned _____

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

UNIT TEST

Part One: Matching

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|-----------------------|---------------------|
| a. bankruptcy | i. credit union |
| b. credit rating | j. repossess |
| c. credit | k. net worth |
| d. debt | l. creditor |
| e. security | m. installment loan |
| f. credit bureau | n. finance charge |
| g. principal | o. garnishment |
| h. consolidation loan | |

- _____ 1. A cooperative whose members receive financial services.
- _____ 2. A company that provides credit information on consumers to those who loan money.
- _____ 3. Money a lender charges to cover the costs of maintaining a loan.
- _____ 4. An item of value pledged to the creditor if loaned money is not repaid.
- _____ 5. A legal proceeding in which a person declares that money owed cannot be repaid.
- _____ 6. A method of buying goods or borrowing money now and making payments in the future.
- _____ 7. To take back an article when the purchaser fails to make payments as agreed.
- _____ 8. The amount of money a person owes.
- _____ 9. An employer is legally charged to hold out a set amount of a person's salary to repay money owed.
- _____ 10. An evaluation of a person's ability and willingness to repay borrowed money.

- _____ 11. The difference between what an individual owns and what he/she owes.
- _____ 12. A business or person that loans money to others.
- _____ 13. The original amount of a loan on which the interest is computed.
- _____ 14. A loan for goods with repayment made in a set amount over a set time limit with interest.
- _____ 15. One large loan taken out to pay off many small loans.

Part Two: Multiple Choice

Directions: For each of the questions below, choose the one best answer by circling the letter of the correct statement.

- 16. All of the following are advantages of using credit, except:
 - a. You do not have to carry lots of cash around
 - b. You do not have to worry about what an item costs
 - c. You can acquire big cost items
 - d. You can take advantage of sales
 - e. It provides a ready cash reserve
- 17. Which of the following describe the disadvantage(s) of using credit?
 - a. You can't tell how much you really owe
 - b. You will pay more than if using cash
 - c. You may purchase expensive items
 - d. A and b above
 - e. All of the above
- 18. What is a method for determining a safe debt ceiling?
 - a. Calculate 1/3 of your total income
 - b. Calculate 1/3 of your take-home pay
 - c. Calculate 1/3 of your income after deducting expenses for necessities
 - d. Calculate 15 percent of your net income after deducting expenses for necessities
 - e. Calculate 15 percent of your take-home pay

19. The Rule of 78's is a formula used to estimate:
- The amount of interest you will pay at any point on a loan.
 - How to never owe more money than you can pay back
 - The number of points charged by a lender
 - Personal debt capacity
 - The amount of your monthly loan payments
20. A lender may refuse a loan to an individual on the basis of all the following, except:
- Whether the individual owns enough assets
 - The individual's record of paying back debts
 - How much the individual owns
 - Whether or not the individual is married
 - The individual's character
21. A type of loan contract kept by the seller until the buyer has made full payment for the goods is
- High-interest
 - Revolving Charge
 - Low-interest
 - Amortization
 - Installment
22. Which of the following statements describes what happens to a savings account when it is used to back up a personal loan?
- Gradually decreasing payments are taken from the account each month.
 - The bank holds the savings account and raises the rate.
 - The account is frozen while backing up the loan, so no interest can be earned.
 - The account may be used, but a minimum deposit must be kept in the account
23. Which of the following can be used to secure an open line of credit?
- Car
 - House
 - Boat
 - Furs
 - Jewelry

24. What type of credit card usually has an annual fee, but no interest charge?
- a. Retail store credit cards
 - b. Bank cards
 - c. Oil company cards
 - d. Travel/entertainment cards
 - e. None of the above
25. If items are repossessed for non payment of debt:
- a. The borrower is no longer responsible for the amount due.
 - b. The borrower must pay the balance of the amount due after deducting money earned from auctioning the item.
 - c. The borrower must pay the amount due and borrower's credit history is affected.
 - d. The borrower's credit history is not affected as long as the amount due is finally paid.
 - e. The borrower gets back the item when the amount due is finally paid.
26. All of the following describe consumer credit counseling agencies, except:
- a. They help families develop debt management plans.
 - b. They may make payments for the individual from his/her salary.
 - c. They do not provide loans to consumers.
 - d. The National Foundation for Consumer Credit can provide information about them.
 - e. They usually provide services free of charge.
27. Debts which still remain after bankruptcy include:
- a. Child support
 - b. Business expenses
 - c. Taxes
 - d. A and C
 - e. B and C
28. All of the following are types of FHA government loans, except:
- a. Emergency loans to overcome losses from natural disasters
 - b. Loans to provide fans and air conditioning for low income housing
 - c. Loans to make low income housing safe and hazard-free
 - d. Loans to improve recreation centers
 - e. Loans to help young people get a start in farming

29. Which type of loan can be used to finance small nonagricultural businesses through which farm families can supplement their incomes?

- a. FHA
- b. CVA
- c. MHDC
- d. VA
- e. None of the above

30. Food stamps may be used:

- a. At a special government-operated store
- b. At any grocery stores
- c. At USDA food distribution centers
- d. At surplus food centers
- e. At many grocery stores

31. Food stamps may be used to buy

- a. Groceries
- b. Tobacco
- c. Garden Seed
- d. A and B
- e. A and C

Part Three: Matching

Directions: Match each lending regulation with its description by writing the letter for the regulation beside the statement that best describes it.

- a. Truth in Lending Act
- b. Equal Credit Opportunity Act
- c. Fair Credit Billing Act
- d. Fair Credit Reporting Act
- e. Fair Debt Collection Practices Act

_____ 32. Safeguards consumer rights with regard to truthful advertising, use of credit cards, and cancelling credit agreements

_____ 33. Requires that total credit costs, the yearly rate the credit costs, and the annual percentage rate be identified

_____ 34. Requires that if you are refused a loan, creditors must give you the name and the address of the agency that reported you as a bad risk

_____ 35. Limits the means and times by which lenders may contact individuals

- _____ 36. States that lenders cannot discriminate among credit applicants on the basis of race, sex, or marital status.

Directions: Indicate whether the following statements describe worker's compensation or unemployment compensation by writing an "a" beside statements about worker's compensation and a "b" beside statements about unemployment compensation.

- _____ 37. To receive benefits an individual must have been an insured worker.
- _____ 38. Compensation is not available for a worker involved in a strike.
- _____ 39. Compensation is available for accidents which are the result of employment.
- _____ 40. Compensation is available for diseases which are the result of employment.
- _____ 41. Coverage is automatic once an individual is employed.
- _____ 42. An individual must be available for work.

Part Four: Check the Correct Statements

Directions: Place a checkmark beside each statement below that is true about loans.

- _____ 43. The greater the APR, the more costly the loan.
- _____ 44. Loan cost vary among lenders.
- _____ 45. Shorter loans have higher finance charges.
- _____ 46. You must pay a penalty if you pay off a loan early.
- _____ 47. Most of your loan payment is for paying off interest during the loan's early stages.

Directions: Place a checkmark beside each statement below that is true about bankruptcy.

- _____ 48. Bankruptcy is most common among middle-income families that become overextended.
- _____ 49. Bankruptcy may prevent an individual from receiving credit in the future.
- _____ 50. Bankruptcy can be declared as often as every four years.

_____ 51. Relatives who have cosigned credit applications may become liable for the debts.

_____ 52. There are two types of bankruptcy.

Part Five: Short Answer

Directions: Write your answer to each of the following questions.

53. State three things an individual can do to establish a good credit rating.

a. _____

b. _____

c. _____

54. Why is it important for an individual to be able to determine personal debt capacity?

55. Why should consumers be especially cautious about using their homes to secure credit?

56. What should an individual do if his/her credit card is lost or stolen?

57. List four warning signs which indicate that an individual has overextended his/her credit.

a. _____

b. _____

c. _____

d. _____

58. List four things an individual who is experiencing financial problems can do to help overcome the problems.

- a. _____
- b. _____
- c. _____
- d. _____

59. When a person is out of a job, what are two ways that can help her/him over this rough time period?

- a. _____
- b. _____

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

- 60. Complete credit terms crossword puzzle (Assignment Sheet 1).
- 61. Compare APR's from two sources (Assignment Sheet 2).
- 62. Use the rule of 78's (Assignment Sheet 3).
- 63. Compute the cost of credit (Assignment Sheet 4).
- 64. Complete an installment contract (Assignment Sheet 5).
- 65. Develop a plan for managing financial problems (Assignment Sheet 6).
- 66. Describe worker's compensation and unemployment compensation (Assignment Sheet 7).
- 67. Debate advantages and disadvantages of using credit (Job Sheet 1).
- 68. Apply for credit (Job Sheet 2).

OBTAINING FINANCIAL ASSISTANCE

UNIT IX

ANSWERS TO TEST

Part One

- | | |
|------|-------|
| 1. i | 9. o |
| 2. f | 10. b |
| 3. n | 11. k |
| 4. e | 12. l |
| 5. a | 13. g |
| 6. c | 14. m |
| 7. j | 15. h |
| 8. d | |

Part Two

- | | |
|-------|-------|
| 16. b | 24. d |
| 17. b | 25. c |
| 18. c | 26. e |
| 19. a | 27. d |
| 20. d | 28. b |
| 21. e | 29. a |
| 22. c | 30. e |
| 23. b | 31. e |

Part Three

- | | |
|-------|-------|
| 32. c | 37. b |
| 33. a | 38. b |
| 34. d | 39. a |
| 35. e | 40. a |
| 36. b | 41. a |
| | 42. b |

Part Four

Statements 43, 44, and 47 are correct and should be checked.
Statements 49, 51, and 52 are correct and should be checked.

Part Five

53. Any three of the following in any order:
Work regularly
Be a stable family person
Pay debts on time
Have earning capacity to pay back the debt
Have good character
Own enough assets to cover the debt
54. Answers will vary. Evaluated to the satisfaction of the teacher in accordance with information presented in the unit. Suggestions include:
To know how much he/she can spend
To know how much he/she can borrow

- To budget and plan bill payment
To avoid becoming overextended, too far in debt
55. If they miss payments or become unable to make payments, they could lose their homes.
56. Report it immediately to the credit card company
57. Any four of the following in any order:
Paying bills later and later each month
Depending upon "extra" earnings to cover monthly bills
Borrowing in order to pay existing bills
Continually charging more and more items
Using savings to pay current bills
Being unable to save
Paying interest due on bills but rarely on the principal
Never quite paying the full amount of the bill
58. Any three of the following in any order:
Recognize that there is a problem
Obtain financial counseling
Reduce debt level
Put credit cards away so they cannot be used
Use cash for purchases
Keep a record of all expenses
Analyze income--seek sources of additional income
Sell items
Get an extra job
Identify sources of debt and make a list
List priorities - determine what is needed and what can be done without
Decide which creditors to pay first
Decide on a schedule of payment
Talk with creditors and work out a repayment plan
Do not ignore bills
Avoid repossession if possible
Avoid wage garnishment if possible
Develop a debt management plan
Declare bankruptcy
Seek assistance from government programs or loans
Seek family services assistance (includes food stamps)
59. Any two of the following in any order:
Be sure there is a savings cushion to fall back on.
Check on social Security benefits.
Sell investments or take out a loan against a life insurance policy to obtain funds.
Analyze personal work skills and try to get temporary employment.
Reduce expenses by cutting back on food, clothing and housing.
Allocate money to hunt for a job (bus fare, lunches, resume)
Get retraining in order to be more employable.

Be sure to check on insurance--try to pay premiums.
Limit the use of credit.

60-66. See Answers to Assignment Sheets

- 67. Evaluated to the satisfaction of the teacher in accordance with evaluation criteria provided on the Job Sheet.
- 68. Evaluated in accordance with evaluation criteria on the Job Sheet and with form completed as shown on the next page.

A Credit Application for a Charge Account

Signature An Applicant, If Married, May Apply for a Separate Account.		For Office Use Only AEB	
I (we) have read and signed the credit agreement above and acknowledge having the agreement to retain for my (our) records.		Applicant's Signature <u>Casper Newell</u> Date _____	
Co-Applicant's Signature <u>Claire Newell</u> Date _____		For Office Use Only	
General Information—(Please Print All Information)			
Type of Account You Want (Check One) ☐ Individual ☒ Joint		Have You Applied for a Byers' Account Before? Applicant Where When ☐ Yes ☒ No Co-Applicant Where When ☐ Yes ☐ No	
Name of Applicant to Whom Our Billing Statements Should Be Sent (First) (Initial) (Last) <u>Casper G. Newell</u>		Social Security Number Date of Birth <u>000-00-0000</u> <u>1/12/60</u>	
Name of Co-Applicant (If Joint Account Requested) (First) (Initial) (Last) <u>Claire A. Newell</u>		Social Security Number Date of Birth Relationship to Applicant <u>001-00-0000</u> <u>4/11/60</u> <u>Wife</u>	
Name and Relationship(s) to Applicant(s) of Any Other Person (s) You Will Allow to Charge Purchases to Your Account (First) (Initial) (Last) (Relationship) <u>N. A.</u> <u>N. A.</u>			
Information about Co-Applicant (If Joint Account Requested) Present Residence Address—Street: <u>1228 Bridgeport Way</u> City, State Zip <u>Bestown, MO</u> <u>16101102</u> Area Code & Phone Number How Long at this Address Monthly Mortgage/Rent <u>(417)321-1234</u> <u>3</u> Yrs Mos <u>\$430</u> Do You: ☐ Own ☒ Rent ☐ Own Mobile Home ☐ Live with Parents ☐ Other (Please Specify) Former Address—Street: <u>Shadyway Trailer Court, Highway 10</u> How Long <u>2</u> years City, State Zip <u>Bestown, MO</u> <u>16101102</u> Employer's Name (Give Firm's Full Name) How Long <u>Fairweather Telephone Company</u> <u>3</u> years Employer's Address (Street/City/State) Business Telephone <u>407 Main St., Bestown, MO</u> <u>(417)103-6854</u> Type of Business Present Position Monthly Salary <u>Telephone Company—</u> <u>Telecommunications</u> <u>\$1,300</u> <u>Communications</u> <u>Specialist</u>		Information about Applicant to Whom Our Billing Statements Should Be Sent Present Residence Address—Street: <u>1228 Bridgeport Way</u> City, State Zip <u>Bestown, MO</u> <u>16101102</u> Area Code & Phone Number How Long at this Address Monthly Mortgage/Rent <u>(417)321-1234</u> <u>3</u> Yrs Mos <u>\$430</u> Do You: ☐ Own ☒ Rent ☐ Own Mobile Home ☐ Live with Parents ☐ Other (Please Specify) Former Address—Street: <u>Shadyway Trailer Court, Highway 10</u> How Long <u>2</u> years City, State Zip <u>Bestown, MO</u> <u>16101102</u> Employer's Address (Street/City/State) How Long <u>2121 Corporate Drive, Bestown, MO</u> <u>5</u> years Employer's Name (Give Firm's Full Name) Business Telephone <u>Commercial Planners Corp.</u> <u>(417)121-2301</u> Type of Business Present Position Monthly Salary <u>Commercial</u> <u>Architectural</u> <u>\$1,250</u> <u>Planners</u> <u>Specifications</u> <u>Writer</u>	
You Need Not Furnish Alimony, Child Support, or Separate Maintenance Income Information if You Do Not Want Us to Consider it in Evaluating Your Application.			
Other Income—Source (s) <u>None</u>		Amount (Monthly) <u>N. A.</u>	
Other Income—Source (s) <u>None</u>		Amount (Monthly) <u>N. A.</u>	
Bank Accounts (Include Co-Applicant's If Joint Account Requested)			
Bank—Branch Account in the Name of <u>1 Bestown Community Bank, Casper + Claire Newell</u>		Checking & Savings ☒ ☐	
Bank—Branch Account in the Name of <u>2</u>		Checking & Savings ☐ ☐	
Credit References (Include Co-Applicant's If Joint Account Requested)			
Credit Cards (Include Loan or Finance Companies) Firm Name Location Account/Loan Number Account/Loan in the Name of			
<u>1 Buymax</u>		<u>P.O. Box 912, Chicago, IL</u>	
<u>2 General Oil Company</u>		<u>342 Johnson Dr., Carson, TX</u>	
<u>3 Kwikredit</u>		<u>5309 Terrence Blvd., Bestown</u>	
<u>Personal Reference</u>		Name of Person Not Living at Address of Applicant or Co-Applicant Relationship to Applicant Present Residence Address (Street/City/State) <u>Nancy Webster</u> <u>Mother</u> <u>4372 Garden Drive, Bestown, MO</u>	

PLANNING FOR THE FUTURE

UNIT X

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to apply for educational support; select appropriate insurance, financial services, savings and investment plans; plan for retirement and develop an estate plan. Competencies will be demonstrated by correctly performing the procedures outlined in the Assignment and Job Sheets and by achieving at least 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, MATCH TERMS RELATED TO FINANCIAL PLANNING TO THE CORRECT DEFINITIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline and Transparency Master 1, IDENTIFY SOURCES FOR OBTAINING EDUCATIONAL SUPPORT by attaining 100 percent accuracy on the Unit Test.
3. Based on the content outline and transparency Master 2, DESCRIBE HOW TO SELECT INSURANCE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.
4. Based on the content outline, DESCRIBE TYPES OF MOTOR VEHICLE INSURANCE by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2 or Job Sheet 1.
5. Based on the content outline, DESCRIBE TYPES OF HEALTH INSURANCE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.
6. Based on the content outline, DESCRIBE TYPES OF LIFE INSURANCE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.
7. Based on the content outline, DESCRIBE CHARACTERISTICS OF DISABILITY INSURANCE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.
8. Based on the content outline, DESCRIBE CHARACTERISTICS OF HOMEOWNER'S/RENTER'S INSURANCE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.

9. Based on the content outline, Transparency Masters 3 and 4, DESCRIBE WHAT TO LOOK FOR IN FINANCIAL SERVICES by attaining 100 percent accuracy on the Unit Test.
10. Based on the content outline, Transparency Masters 5 and 6, DEMONSTRATE THE ABILITY TO DEVELOP A SAVINGS/INVESTMENT PLAN by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3, Job Sheet 2, or 3.
11. Based on the content outline, DEMONSTRATE THE ABILITY TO OBTAIN A SOCIAL SECURITY CARD by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 4.
12. Based on the content outline and Transparency Master 6, DEMONSTRATE THE ABILITY TO DEVELOP A SECURE RETIREMENT PLAN by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 3 or Job Sheet 3.
13. Based on the content outline and Transparency Master 7, DESCRIBE FEATURES OF AN ESTATE PLAN by attaining 100 percent accuracy on the Unit Test.

PLANNING FOR THE FUTURE

UNIT X

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss Unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use the transparencies to enhance the information as needed.)

- G. Provide students with Assignment and/or Job Sheets prior to the demonstration of the procedures.

1. For Job Sheet 1 you may need to obtain the insurance policies, rather than sending students to do this.

(NOTE: You may want to divide class into small groups with each group analyzing specific sections versus a total policy in order to save time. In order to analyze a total policy, you will need to run multiple copies of this job sheet if student groups were to analyze more than one section.)

- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. As a class, develop a dictionary of financial terms and distribute to the FHA/HERO organization and friends of the home economics program.

3. Obtain materials on applying for educational grants and prepare applications.

4. Read and review various financial planning strategies and present to class.
 5. Interview insurance sales persons to gather the latest information on insurance.
 6. Interview family members or relatives and gather information on the status of their estate planning. Share findings with classmates and draw conclusions based on these findings.
- I. Give test.
 - J. Evaluate test.
 - K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 1. TM 1--Meeting the Cost of Education
 2. TM 2--Why Do YOU Need Insurance
 3. TM 3--Selecting a Financial Planner
 4. TM 4--Banking Services
 5. TM 5--Selecting Savings and Investment Plans
 6. TM 6--The Path to Future Security
 7. TM 7--An Efficiently Planned Estate
- E. Assignment Sheets
 1. Assignment Sheet 1--Solve Financial Planning Terms Puzzle
 2. Assignment Sheet 2--Determine the Amount of Deductible to Take on Automobile Insurance
 3. Assignment Sheet 3--Calculate Interest Earnings and Savings Growth
 4. Assignment Sheet 4--Apply for a Social Security Number
- G. Job Sheets
 1. Job Sheet 1--Analyze Insurance Policies
 2. Job Sheet 2--Select Investments and Record Stock Activity
 3. Job Sheet 3--Analyze Savings/Investment Plans
- H. Answers to Assignment Sheets

- I. Unit Test
- J. Answers to Test

REFERENCES USED IN DEVELOPING THIS UNIT

- A. Brobeck, Stephen, and Scott Weinberg. Your Savings Options. Washington, D.C: Consumer Federation of America, n.d.
- B. Furen, Peter, and Kathleen L. Hawkins. Time Management Made Easy. New York: E. P. Dutton, Inc., 1983.
- C. Kaye, Steven. The Successful American's Guide to Financial Planning. Reston, VA: Reston Publishing Company, Inc., 1986.
- D. Lert, Don R., and Joann Driggers. Economic Decisions For Consumers. Belmont, CA: Wadsworth Publishing Co., 1983.
- E. McGowan, Daniel A. Consumer Economics. Boston: Allyn and Bacon, Inc., 1984.
- F. Weinstein, Grace W. The Lifetime Book of Money Management. New York: New American Library, 1983.

HELPFUL RESOURCES FOR TEACHERS

- A. Answers: A Practical Survival Kit to Help You Organize Your Personal and Financial Matters, Becky Barber, Harper and Row, 10 East 53rd Street, New York, NY 10022, n.d.
- B. Consumer Economics (Secondary): Reading Strategies, John E. Clon, Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016, 1985.
- C. Consumer Education Resource Materials Kit, Stewart M. Lee, Grenenn College, Beaver Falls, PA 15010, 1985.
- D. Educator's Guide to Free Home Economics Materials, Patricia Horkheimer, Educators Progress Service, Inc., 214 Center Street, Randolph, WI 53956, 1984.
- E. Insurance Information Institute; Filmstrips available on insurance, booklets for students, teacher resources; 110 William Street, New York, NY.
- F. Personal Finance (Curriculum Guide), Deedee Napier, Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, MO 65211, n.d.

- G. Practical Business (Curriculum Guide), Deedee Napier, Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, MO 65203, n.d.
- H. Reading Strategies for Improving Comprehension in Consumer and Economic Content Areas, Martha E. Imin and Ruby Meis, Michigan Consumer Education Center, 207 Rackhom Blvd., Eastern Michigan University, Ypsilanti, MI 48197, 1984.
- I. Retiring Right: Planning for Your Successful Retirement (Includes worksheets and glossary), Lawrence J. Kaplan, Avery Publishing Group, Inc., Wayne, NJ, 1986.
- J. Teaching Strategies for Consumer Economics, Robert Ristau, H. Michael Hartoonian, Peter R. Sears and Ruth G. Thomas, Joint Council on Economic Education, 2 Park Avenue, New York, NY 10016, 1985.

Planning for the Future Unit X

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1-15	
J.1., 2.	2	TM 1				16, 40	LXE1,6
J.4.	3	TM 2			JS 1	17, 41	LXH4,5,6; SSXM3
J.5.	4			AS 2	JS 1	42, 43	SSXM3
J.6.	5				JS 1	31-35	SSXM3
J.7.	6				JS 1	36-39	SSXM3
J.8.	7				JS 1	18, 19	SSXM3
J.9.	8				JS 1	20, 45	SSXM3
J.3.	9	TM 3, 4				21, 22, 45	LXH4,5,6; SSXM3
J.10.	10	TM 5, 6		AS 3	JS 2, 3	23, 24	MXH1
J.12., 13.	11			AS 4		25-27, 46	MXH4
J.11.	12	TM 6		AS 3	JS 3	28, 47	
J.14.	13	TM 7				29, 30	

*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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PLANNING FOR THE FUTURE

UNIT X

INFORMATION SHEET

I. Match terms and definitions.

[Objective 1; AS 1]

- A. Annuity--An account which pays a set amount to an individual each year based on personal level of investment.
- B. Beneficiary--Individuals, groups or institutions that receive payments from policies upon the death of an insured person.
- C. Co-insurance--Insurance in which the insured pays a percentage of costs and the insurer pays the remainder.
- D. Commercial bank--An institution offering a wide array of financial services.
- E. Credit union--A nonprofit institution owned and operated by its members for the benefit of its members, who are usually all employed in the same occupation.
- F. Deductible clause--A clause in an insurance policy requiring the policy holder to pay a portion of a bill, while the insurer pays the remainder.
- G. Dividend--A share of a company's profits distributed to owners of shares in the company.
- H. Executor--An individual appointed to carry out a will.
- I. Financial counselor--An individual who has special training and certification to assist individuals in managing their money.
- J. Individual Retirement Account (IRA)--A pension plan to which individuals can contribute a set amount each year.
- K. Money market account--An account offered through a brokerage firm or bank which permits limited checking, personal loans, and may provide credit cards.
- L. Mutual fund--Investment funds which pool the money of many investors to buy and sell large blocks of stock.

- M. No-fault insurance--Injured parties collect from their own insurance companies no matter who is at fault.
- N. Pooling--Combining assets of many individuals to invest in securities.
- O. Portfolio--The securities held by an individual investor.
- P. Premium--A stable monthly, semiannual, or annual payment made for insurance coverage.
- Q. Probate--A process of proving that a person's last will and testament is genuine.
- R. Securities--Stocks and/or bonds; written proof of ownership of a corporation and/or written proof of corporate or government debt.
- S. Social Security--A supplementary source of income sponsored by the federal government and administered through the Social Security Administration for the purpose of providing income when family earnings are reduced or stopped because of disability, retirement, or death.
- T. Stock--Certificate of ownership in a corporation.
- U. Stock broker--A dealer in securities.
- V. Term insurance--Insurance policy which deals strictly with protection of an individual's life.
- W. Whole life insurance--Insurance policy which includes a savings plan along with insurance protection.

II. Identify sources of support services for education.

[Objective 2; TM 1]

- A. Financial aid to meet college costs, such as books, fees, tuition, and money to meet living costs is available to those who are eligible.
- B. Types of financial aid include:
 - 1. Grants or scholarships--awarded on the basis of need or some other criteria, such as scholastic achievement.
 - 2. Loans--usually to be paid after graduation
 - 3. Work-study--student receives pay for a job on the college campus.

C. Financial aid is based on need.

(NOTE: A student may be eligible for aid, but won't know unless he/she checks it out.)

D. When applying to colleges, be sure to request information on financial aid.

E. Try to supplement college expenses with a summer job.

F. Different colleges award different levels of aid, so check on several colleges.

(NOTE: Students who have accepted aid from one college should tell the others they applied to, so the money can be used for other students.)

G. Financial aid must be applied for every year.

H. Sources of aid include:

1. Federal government
2. State government
3. Colleges
4. Private programs (Chamber of Commerce, Rotary Clubs, Lions Clubs, American Business Women's Association, etc.)

(NOTE: A counselor, the school, or the public library are good sources for financial aid information. A student may qualify for support because of race, ethnic origin, religion, special talent, or because of participation in organizations.)

I. Federally aided programs

1. Pell Grants
 - a. Awarded to undergraduates to help pay education costs
 - b. An application must be completed.
 - c. Application is made in the spring of the year.
 - d. Schools may deposit money in an account for the student, pay the student directly, or use a combination approach.
 - e. Grant amounts vary based on Congressional allocation.
 - f. No repayment is required.
2. Supplemental Educational Opportunity Grants
 - a. Awarded to undergraduates only
 - b. Need not be paid back
 - c. Information on filing deadline is available from the school's financial aid officer.

- d. Schools may deposit money in an account for the student, pay the student directly or use a combination approach.
- 3. College work-study
 - a. Helps student earn money for school by providing a job
 - b. For undergraduate and graduate students
 - c. Apply early; check with financial aids officer.
 - d. Work schedule is usually limited.
- 4. National Direct Student Loans
 - a. Must be repaid
 - b. For undergraduate and graduate students
 - c. Apply early; check with financial aids officer.
 - d. School may deposit money in an account for the student or pay the student directly.
 - e. Repayment begins six months after graduation. (NOTE: Failure to repay may result in a lawsuit, notification of credit bureaus which can affect credit rating, and the withholding of income tax refunds by the Internal Revenue Service.)
- 5. Guaranteed Student Loans/Plus Loans
 - a. Must be repaid
 - b. For undergraduate and graduate students
 - c. Loan are made by a bank, credit union or savings and loan.
 - d. An interest rate is charged.
 - e. Students cannot borrow more than the cost of education.
 - f. Applications available from local lenders, and schools. (NOTE: Applications are also available from the Missouri Coordinating Board for Higher Education, P. O. Box 1438, Jefferson City, Missouri 65102, Tel. 314/751-3940.)

III. Describe how to select insurance.

[Objective 3; TM 2; JS 1]

A. Selecting an insurance agent

- 1. Shopping around and comparing prices of various insurance companies can save money.
- 2. Identify the coverage limits needed before discussing insurance with an agent.
- 3. When choosing a company to handle insurance needs, consider their policies concerning:
 - a) Cancellation of insurance
 - b) Claim settlements

- c) The financial reliability of the company.
(Note: Check Consumer Reports Buying Guide for a discussion of companies following responsible policies in these areas.)

B. Steps in selecting insurance

1. Identify risks that can reasonably be expected.
2. Select insurance which covers major setbacks, such as disability, loss of health.
3. Compare policies among companies; costs can vary.
4. Follow sound health and safety practices to reduce risk.
5. Know what coverage is actually being purchased.
(NOTE: Read the fine print.)
6. Base decisions on the family's needs should something happen to the insured.
(NOTE: Financial advisors at banks can provide an estimate of the monthly income a family would need if income were lost due to death or disability.)

IV. Describe types of motor vehicle insurance.

[Objective 4; AS 2; JS 1]

- A. Motorists need to be concerned about automobile insurance since the chances are high that they will suffer an accident.
(Note: The average driver is typically involved in two accidents over an eight-year period and is at fault for at least one of these accidents.)

B. Most insurance packages include:

1. Collision
2. Bodily injury
3. Property damage
4. Medical
5. Comprehensive physical damage
6. Uninsured motorist coverage

C. Collision insurance covers damage or injury to others.

1. If a car is damaged in an accident, coverage is limited to the value of the car when the accident occurred.
2. This insurance coverage may include a deductible clause which states the portion the policy holder will pay for car damage.
 - a. The deductible usually ranges from \$100 to \$500 dollars.
 - b. The larger the deductible, the lower the premium payments.

3. This type of insurance is optional, but if money is borrowed to pay for a car, the lender usually requires such insurance.
 4. The insurance company usually covers the cost of repairs. They will not buy a new car if the car is totally damaged. Because of high repair costs, the insurer may pay the current value of the car rather than pay for repairing it.
(Note: Once a car is valued at less than the price of replacement, it is not worthwhile to maintain collision insurance.)
- D. Bodily injury and property damage insurance are usually called liability insurance.
1. This covers individuals who are responsible for the accident.
 2. Frequently such coverage is stated \$15,000/\$30,000 (or 15/30) or \$100,000/\$300,000 (or 100/300).
(Note: 15/30 means that the insurance company will pay \$15,000 bodily injury per claim not to exceed \$30,000 for all claims. Based on the size of today's lawsuits, the insurer could be responsible for paying a significant amount of money after the insurance company pays its share of the claim.)
 3. Property damage usually involves damage to such things as shrubbery, telephone poles, homes, bicycles by cars.
(Note: It is important to determine the extent of coverage needed. Ten thousand dollars is a typical figure (a 15/30/10 policy). Remember, if property damage costs go over \$10,000, the policy holder must make up the difference.)
 4. Medical coverage provides funds to provide health care services to accident victims.
 - a. This policy covers family members in their own or another's car, passengers in the insured car, and pedestrians.)
 - b. Coverage may range from \$2,000 to \$10,000 and is generally a small portion of the auto insurance cost.
 - c. This coverage may repeat coverage the policy holder has under other forms of medical insurance, but it is wise to have it to cover passengers.
- E. Comprehensive physical damage insurance protects against theft, collision, natural disasters, fire, and vandalism.
(NOTE: This insurance usually includes a deductible clause.)

F. Uninsured motorist coverage protects against someone who has no insurance.

1. Pays for injuries to the policy holder and family, including medical bills or other claims.
2. This insurance does not include car coverage. (NOTE: Collision insurance covers automobile damage.)
3. State laws identify the amount of uninsured motorist coverage required.

G. Obtaining insurance involves several decisions. Keep these points in mind when considering insurance:

1. The costs of insurance coverage can be reduced, by reducing mileage to work, (for example, by sharing rides, using mass transit or a bicycle.)
2. Consider taking a higher deductible to reduce premium costs.
3. Seek insurance under a family insurance policy for a reduced rate. (NOTE: Cost of a policy for an individual is greater than for coverage simply added to a family policy, such as parent's policy. This is particularly true for young, male drivers who are charged considerably higher premiums based on accident statistics for this group.)
4. Know what sections of the policy to pay more or less for. (NOTE: Bodily injury and property damage may be more important to have than collision or medical coverage, for example, because lawsuits related to bodily injury and property damage could lead to bankruptcy, whereas collision coverage involves only the loss of the car and individual medical coverage could be provided through other policies.)
5. Do not purchase duplicate coverage.
6. Ask about available discounts, such as for non-drinkers, car poolers, those with good driving records.
7. Maintain a good driving record.
8. Pay your premiums annually rather than monthly (NOTE: This reduces finance and handling charges.)
9. Do not allow insurance coverage to lapse. (NOTE: Insurers are hesitant to insure someone who lacks coverage. Begin looking for a different insurer two to three months before the current policy lapses.)
10. Many states offer no-fault insurance.
 - a. No-fault insurance reduces court costs and legal fees involved in determining who is the guilty party in an accident.

- b. States set a threshold level, which means that if accident costs exceed the level, then the case is handled in the traditional manner of going to court and determining who is at fault.
(NOTE: A high threshold appears to reduce insurance costs, a low threshold does not.)
- c. If motorists coming from a no-fault state have an accident in a state lacking such a law, they must follow the regulations of a no-fault state and could be liable for extensive court costs plus the considerable time involved in settling court cases.

V. Describe types of health insurance.

[Objective 5; JS 1]

A. Types of insurance

1. Hospital expenses: may cover a portion of the costs for room and board, operating room, laboratory work, medicines, x-rays and other incidental expenses.
2. Surgical insurance: covers expenses for a surgeon up to a fixed amount. Expenses over the fixed amount are paid by the individual personally or by other insurance policies held by the individual.
(NOTE: The higher the fixed limits for surgical expenses, the more costly the policy. Many policies today pay for a second opinion, thus reducing chances for unnecessary surgery and reducing insurance costs.)
3. Medical insurance: covers costs such as: x-rays, laboratory expenses and visits to doctor's offices.
(NOTE: This type of insurance tends to be costly and has limits included, such as limiting the types of services available to family members, limiting the number of doctor visits. Those who do not use a doctor's services frequently could get by without such insurance.)
4. Major medical insurance: usually takes over where other policies leave off.
(NOTE: Coverage is for severe circumstances, such as accident, prolonged illness or disability and helps to prevent financial disaster.)
 - a. Usually involves a deductible amount of \$100 to \$1,000, which the policy holder must pay; policy then pays 80-90 percent of the expenses.
 - b. May include a co-insurance clause which requires the policy holder to pay approximately 10-20 percent of total bill.

(NOTE: In times of rising costs, co-insurance is beneficial, because it limits the amount the policy holder must pay. With other insurance forms having fixed rates, the insured must then pay higher and higher proportions of the bill.)

5. Cancer insurance
 - a. A type of insurance which has been available for the past 20 years.
 - b. Such policies tend to contain many exclusions and do not fully cover diagnostic and treatment costs.
 - c. Many people buy this insurance out of fear, since approximately one in four Americans do get cancer. However, since many people never do acquire cancer, they may pay for unnecessary insurance.
6. Dental insurance
 - a. Usually provided on a group basis--available to those who work for a company, government agency or perhaps are union members.
 - b. The number of people covered by such plans continues to increase.
 - c. There is usually a deductible clause.
 - d. Typically about 80 percent of all treatments are covered with some type of deductible.
7. Mental health insurance
 - a. Not in wide usage as yet.
 - b. Can be designed to cover psychiatric services, alcoholism treatment, drug abuse.
 - c. Some unions are beginning to provide such coverage.

B. Health insurance sources

1. Blue Cross/Blue Shield
 - a. Blue Cross deals primarily with hospital insurance.
 - b. Blue Shield stresses surgical and general medical coverage.
 - c. By being a member of a group, rates for such insurance are much cheaper. There are other health plans in which people can enroll, but these plans serve smaller numbers of individuals than does Blue Cross/Blue Shield.
 - d. Insured individuals are allowed to choose their own doctors.
2. Group health plans
 - a. Must be member of a group to receive such health services.
 - b. Physicians working with such a plan are paid a salary to provide group services.
 - c. Includes physician and hospital services, with outpatient services available, such as

- check ups, tests, occupational therapy.
 - d. Costs vary with family size.
 - e. Some plans may allow unlimited doctor visits and hospital usage.
 - f. Cost limits are usually set for the use of services and drugs.
 - g. Frequently doctors working under such plans receive a bonus for reducing costs.
 - h. Such plans can limit the amount of time a patient spends with one doctor and patients may have long waits before receiving services.
(NOTE: This plan helps to control costs by reducing the need for health care such as hospitalization, but patients may not always be able to see the same doctor or must wait to receive certain types of medical treatment.)
3. Health Maintenance Organizations (HMO)
- a. Are developing throughout the country
 - b. Those employed by a company with twenty-five or more workers are offered this alternative.
 - c. May offer savings above conventional health care plans.
 - d. Members pay monthly fees which are usually higher than typical insurance premiums.
 - e. Members find that they save a considerable amount on family health care expenses.
4. Medicare is available to the elderly.
- a. Services became available as part of Social Security July 1, 1966.
 - b. Consists of two parts:
 - 1) Part A is financed by employer/employee contributions.
 - a) Pays major costs of hospital or nursing services.
 - b) Individuals may receive home health benefits as part of the plan.
 - c) Hospice care costs can be covered under this plan.
 - 2) Part B is financed through monthly premiums shared equally by users of the program and the federal government.
 - a) Covers the cost of doctor's services
 - b) Government pays two-thirds of insurance costs; the participant pays the remaining costs.
 - c) Covers costs such as home visits, x-rays, doctor's fees, drugs, laboratory tests and may also include limited coverage for chiropractic, ambulance and physical therapy.

(NOTE: Part B coverage does not take care of numerous health related costs, such as check ups, hearing tests, eye examinations, and dental care. It is important that the individual purchase supplemental insurance to cover such costs.)

c. Medicaid

- 1) Services vary from state to state.
 - 2) Medicaid policies were established to cover costs not covered by Medicare.
 - 3) A premium must be paid for such insurance.
 - 4) Policies are offered through Blue Cross/Blue Shield, the American Association of Retired Persons and the National Council of Senior Citizens, among others.
 - 5) Be sure to analyze the coverage offered, in order to have a clear understanding of what it provides.
- d. Services offered under these plans face continual change and reduction.

VI. Describe types of life insurance.

[Objective 6; JS 1]

A. Term insurance

1. Premiums are usually raised about every five years at renewal time.
(NOTE: Premiums rise because the individual's chances of death increase with age.)
2. Premiums can be reduced by limiting the amount of insurance carried.
3. This is a good buy for those starting out, as the premiums are reasonable.
4. Can be in the form of "uniform decreasing term insurance," in which premiums on the policy remain stable, but the value of the policy decreases.
5. When purchasing term insurance include the options of renewal without a medical examination and conversion to a whole life policy at retirement.
(NOTE: These policy options cost more but, in the long run, provide greater flexibility and safety.)

B. Whole life insurance

1. Sales personnel may promote such policies because they are more profitable.
2. Premiums are stable throughout the life of the policy.

(NOTE: Thus, the consumer pays more during the early stages of the policy, when there is a lower chance of death, than during the later stages of the policy.)

3. The value of the policy declines as dollars lose value over time due to inflation.
4. The policy may be canceled at any time and cashed in for the value of the policy.
5. Consumers can also secure a policy that pays a living benefit in the form of a lump sum upon retirement or in the form of periodic payments.
6. It is possible to borrow on the value of the policy at favorable interest rates.

(NOTE: Should the policy holder die before paying back the loan, the beneficiary receives a reduced benefit.)

7. At retirement, the policy holder can change the policy to provide an annuity, limit the number of years on which protection continues, obtain full protection for the remainder of his/her life, but at a lower value, or obtain a cash settlement.

(NOTE: Whole life and term insurance provide protection and forced savings.)

C. Universal life insurance

1. Combines characteristics of term and whole life insurance
2. Premium payments are used for term insurance, company expenses, and savings.
3. The savings earn interest at a variable rate (usually close to or at current rates) thus better keeping pace with inflation.
4. Companies provide full disclosure of the fees charged for policy management.
5. The interest rates earned seem to be better than those for whole life policies.

D. Sources of insurance

1. Group insurance
 - a. Usually offered by an employer, union, or professional organization
 - b. Costs are less due to the large amount of insurance purchased.
2. Mutual insurance
 - a. A group of individuals purchase insurance together
 - b. Charges a set cost; if expenses are less than the cost, the excess funds are distributed to the insured.
3. Industrial insurance
 - a. Sold to individuals in their homes
 - b. Value of these policies is generally small.

- c. Costs outweigh the benefits of such insurance.
- 4. Credit life insurance
 - a. If you take out a loan, the creditor may expect you to purchase insurance.
 - b. The creditor is assured payment of the loan.
 - c. This form of insurance should be used only if other options are unavailable due to expense.

VII. Describe characteristics of disability insurance.

[Objective 7; JS 1]

- A. Provides benefits for those who can no longer work because of illness or accident.
- B. Try to obtain a non-cancellable policy which covers an individual throughout his/her working life, since the chances of having to use such a policy increase with age.
- C. Such insurance may be called salary-continuation insurance.
 - 1. Most policies pay about half to two-thirds of the worker's gross income.
 - 2. Payments received from these policies can last for two years or indefinitely.
 - 3. Payments usually cease when an individual reaches retirement age.
 - 4. A waiting period may be required during which no payments are received.
(NOTE: Be sure to check waiting period length, because a long waiting period before the policy provides assistance may be useless to some individuals. The longer the waiting period, the lower the cost of the policy.)
 - 5. Typical policies may reduce coverage payments if assistance is received from other policies.)

VIII. Describe characteristics of homeowner's/renter's insurance.

[Objective 8; JS 1]

- A. Typical policy choices can include:
 - 1. Protection for damage caused by fire, lightening, smoke, water, hail, explosions, windstorms
 - 2. Protection for both the house and its contents
(NOTE: This protects the home owner from loss and liability in case someone is injured on the property. This policy combines more coverage at a

lower cost than if each policy were purchased separately.)

3. Additional coverage on high cost personal items such as stereos, fur coats, and cameras may be advisable.

(NOTE: If a home owner adds such a policy to his/her coverage, it need not be included in fire or theft policies.)

4. Flood and earthquake insurance may be advisable as most policies do not cover these hazards.

(NOTE: The U.S. Department of Housing and Urban Development maintains a list of areas in the U.S. where flood insurance sponsored by the federal government may be obtained. Insurance agents have this information.)

B. Guidelines for insuring property include:

1. Secure homeowner's insurance, which will cover about 80 percent of the home's replacement value.
2. Homeowners may wish to increase the value of their insurance by 10 percent each year, in order to have the necessary coverage.
3. To know the value of a home, the owner may need an accurate evaluation of its worth.

(NOTE: Local insurance agents or banks can provide such information.)

C. To reduce insurance costs:

1. Buy policies that cover several hazards instead of individual policies for different hazards.
2. Add smoke alarms and fire extinguishers to the home.
3. Pay premiums for three-year, rather than one-year coverage.
4. Increase the portion of coverage paid (take a larger deductible).
5. Secure housing in low, rather than high crime areas, if possible.

D. Mortgage holders (banks, savings and loan associations) requires that homeowners pay taxes and insurance on their homes.

(NOTE: A special account may be established with the lending agency into which homeowners deposit funds. The account may or may not earn interest. It is better if interest is earned, so that the money is working for the home owner and not just the lender.)

E. Homeowner's Warranty Coverage (HOW)

1. The National Association of Home Builders (NAHB) established this form of coverage in 1974.

2. Homes are covered for major structural defects for a ten-year period.
 3. Policies are only available from builders who are members of the organization.
 4. This policy:
 - a. Guarantees a home to be free of defects in workmanship during the first year.
 - b. Guarantees cover the same item during the second year, but workmanship and materials are not covered.
 - c. Major structural defects are covered for the eight years remaining on the policy.
 5. With such coverage, homeowners usually pay the first \$250 dollars of such repairs; the insurance covers remaining costs.
- F. The Homeowner's Warranty Corporation introduced a five-year warranty plan covering remodeling workmanship.
1. The plan was introduced in 1983.
 2. The plan is carried out by HOW builders or contractors.
 3. Homeowners pay a small deductible with coverage for remaining costs.
- G. Coverage on home repairs is available in some areas for older homes.
(NOTE: Inspection of the home may be required prior to receiving such insurance.)
- H. Renter's insurance is important to prevent loss.
1. Renters are responsible for the interior of their dwelling and any accidents there.
 2. Renter's insurance is available in a form called "residence contents brand form."
(NOTE: Coverage includes personal expenses, living expenses, and liability coverage.)
 3. When considering such insurance, consumers should be sure to comparison shop.
 4. The renter should make a complete list of possessions; keep a copy of the list in a safe place away from the property; provide a copy to the insurance agent.
 5. Renters who live in a high crime area and are unable to get insurance from agents, should ask an agent about:
 - a. The Federal Crime Insurance Program, which covers burglary losses
 - b. The Fair Access to Insurance Requirements Plan (FAIR), which covers hazards such as fires, burglaries, or storms.
(NOTE: No liability coverage is offered with these plans.)

6. The Housing and Urban Development Agency, Washington, D.C. can provide further information on insurance.

IX. Describe what to look for in financial services.

[Objective 9; TM 3, 4]

A. Manage income.

1. Effective money managers carry out tax management strategies to achieve the highest gain from their income.
2. Today's consumers have faced what is termed "bracket creep." This results from inflation-generated pay increases which actually purchase fewer goods and services but place the consumer in a higher tax bracket.
3. It is important for people to understand their tax status in order to plan ways to save and invest to get the greatest return on their money.

B. Select financial services after considering the following points concerning savings and investment plans:

1. Yield--the amount of interest to be received and whether it changes as rates change.
2. Liquidity--how easily can funds be withdrawn; are there penalties for early withdrawal; can only a limited number of withdrawals be made?
3. Safety--are accounts insured by the federal government?
4. Minimum deposit--how much money is needed to open an account? What charges are made if the account falls below the minimum?
5. Convenience--can an account be opened or closed easily; can transactions be made by phone; are bank machines available for after hours and quick service?
6. Charges--what are the charges for various bank services; are there charges for deposits/withdrawals?
7. Other services--are any special privileges provided by having an account with a particular institution?

C. Obtain financial planning assistance.

1. Many individuals are now offering financial planning services.
2. Financial planners can be stock brokers, insurance agents, brokers, lawyers, accountants and others.
3. Before using the services of such persons, be sure

- to check on whether the individual is certified.
(NOTE: A certified financial planner (CFP) has completed a series of training programs and tests covering various financial planning concerns.)
4. To locate qualified planners, contact the following organizations for names of financial planners.
 - a. The Institute of Certified Financial Planners
3443 South Galena, Suite 190, Denver, Colorado 80231
 - b. The International Association for Financial Planning, 5775 Peachtree Dunwoody Road, NE, Suite 120-C, Atlanta, Georgia 30342
 5. The consumer must identify personal financial planning goals before choosing professional assistance.
 6. Desired characteristics of a financial planner include:
 - a. Credentials
 - b. Experience
 - c. Integrity
 - d. Patience
 - e. Empathy
 7. Many financial planners provide seminars and adult education classes, affording consumers the opportunity to view their abilities in action before purchasing their services.
(NOTE: Many professionals will offer free follow-up consultation to get better acquainted with potential clients.)
 8. Individuals and families should follow their own best interests when making any financial decision(s).
(NOTE: Hiring a financial planner does not relieve the consumer from the obligation of providing for his/her own future.)

X. Develop a savings/investment plan.

[Objective 10; TM 5, 6; AS 3; JS 2, 3]

A. Set up a savings plan.

1. Savings provide a ready source of cash.
2. Savings, if placed in a bank or thrift institution, are safe.
3. Savings should be the first step in a budgeting plan.
4. When a tax refund or refund of any sort is received, place it in savings.
5. Save loose coins and take to the bank when a certain amount have accumulated.

6. A loan has been paid off, keep making the payment to savings account.
7. Give up a habit (smoking, eating out) and put the money saved into savings.
8. When planning to invest, study the variety of options available.
(NOTE: Brokers and financial counselors can provide expert help if needed.)
9. Most experts recommend having a variety of investments.
 - a. A variety of investments helps the investor to earn higher interest.
 - b. A variety of investments reduce the investor's risks.

B. Bank/money market deposits

1. Includes deposits at institutions such as banks, savings and loan associations, credit unions, and investment companies.
2. Bank savings are insured up to \$100,000 by the Federal Deposit Insurance Corporation: a government agency established to maintain the stability of the American banking system.
3. Banks offer a variety of accounts; individuals need to select accounts which provide the highest degree of interest and provide the largest number of cost-free services, such as free checking.
4. Money market accounts are established with investment firms which may provide a higher rate of interest than local banks provide.

C. Bonds of corporations

1. A company promises to pay interest for the use of the investor's money one time.
2. Bonds are usually held for long time periods.
3. Inflation may reduce the value of the bond over time, because the interest payment remains stable while costs increase.
4. Businesses which issue such bonds must make interest payments on them prior to paying stockholders.
5. Bonds tend to be less risky than stocks.
6. Bonds may be "collateral trust bonds" (meaning that property or machinery can be sold to pay them off) or they can be "debentures" (meaning they are protected only by the company's good name). Another form of bond, the "guaranteed bond" is backed by another company or the government, which assumes the debt should the company fail to pay.

D. Government bonds

1. United States savings bonds are a very stable investment.
 - a. These bonds vary in value (\$50, \$100 and more).
 - b. Interest accumulates and is collected when the bonds are cashed. At that time, federal taxes must be paid on the interest, but bonds are exempt from state and local taxes.
 - c. Bond interest rates correspond to existing rates offered by banks and money market accounts.
2. Treasury bills are available for short time periods.
 - a. Interest yields vary with what the current market offers.
 - b. Individuals must invest a large sum (typically \$10,000) to purchase such bonds.
 - c. These investments may offer tax advantages such as exemption from state and local taxes.
3. The U.S. government offers many other forms of investment; check with your banker or security dealer for further information.

E. Stocks

1. Stocks provide the owner with the opportunity to vote on corporation decisions.
(NOTE: An investor must own a considerable number of shares to have any input on corporate decisions.)
2. Stock holders hope to receive good dividends while the value of their stock grows.
3. Stocks fall into two categories:
 - a. Income stocks pay high dividends, but show relatively little growth in value.
 - b. Growth stocks pay low or no dividends, but are expected to grow in value.

F. Mutual funds

1. Provide the small investor with a way to invest in securities
2. Funds vary with the types of securities in which they invest.
(NOTE: Some funds purchase stocks, others bonds or government securities.)
3. Consumers need to read information on several mutual funds to find those with the best performance record.
(NOTE: Select a fund which has a good record of increasing in value over the years.)

4. Remaining with a fund and depositing small amounts over the years will provide an individual with retirement income .
(NOTE: Mutual funds do not provide the investor with quick returns, but are a long-term investment.)

G. Annuities

1. These can be purchased through insurance or investment firms.
2. Monthly deductions are taken from salary and accumulate value in the annuity account.
3. Contribution to an annuity reduces taxable income and defers payment on the fund until the individual retires (and usually moves into a lower tax bracket).

H. Individual retirement accounts

1. Originally established in 1974 for individuals not covered by other pension plans.
2. Opened to all wage-earners in 1981 by the Economic Recovery Tax Act.
3. Anyone up to age 70 1/2 can contribute up to \$2,000 per year to this account.
(NOTE: The amount of the contribution may vary based on Congresses' actions.)
4. Couples with two incomes can set aside \$4,000 per year.
5. Contributions to an IRA are tax-deductible.
6. Regulations for IRA's state:
 - a. When funds are removed from an IRA prior to age 59 1/2 the tax deferment is dropped from the funds. The money is taxed as ordinary income; in addition, a tax penalty of 10 percent is paid.
 - b. Funds must be withdrawn at age 70 1/2.
7. Those interested in IRAs need to shop around for the best place to put their funds.

XI. Obtain a Social Security card.

[Objective 11; AS 4]

- A. To obtain a Social Security card, apply for one at the local Social Security office.
- B. To obtain Social Security benefits, an individual must have proof of age and a Social Security Card
- C. Social Security was initiated to provide supplementary income to families.

- D. Social Security is beneficial particularly if income stops or earnings are reduced as a result of retirement, disability or death.
- E. To obtain information on Social Security benefits call:
1. The Social Security Administration at 1-800-392-9000
 2. The Medicare Office at 1-800-392-3070
- F. Benefits offered under Social Security include:
1. Retirement benefits: available to individuals after age 62; based on the number of years worked; spouse and children may be eligible for earnings based on the worker's record.
 2. Survivor's benefits: money paid to spouse and children upon the worker's death.
 3. Disability benefits: provides monthly income for those who are ill or disabled.
 4. Medicare: insurance program for men and women over 65 providing hospital and medical coverage.
 5. The more a worker earns, the lower his/her return from Social Security upon retirement.
(NOTE: Social Security was never designed to provide total income upon retirement, it is intended only as a supplement.)
- G. It is wise to check benefit status by securing a form from a local Social Security Administration office, completing the form and sending it to P. O. Box 57, Baltimore MD 21203.
1. The form is a request for a statement of earnings.
 2. Check the information Social Security provides with personal W-2 forms and report errors to the Social Security Administration.
- H. Social Security concerns
1. In recent years, people have feared that they would not receive their benefits because the system was "going broke."
 2. Fewer and fewer workers are paying for larger numbers of retirees.
 3. To keep the system solvent, Congress has:
 - a. Raised the retirement age to 67
(NOTE: the change is phased in over several years.)
 - b. Cost-of-living adjustments have been postponed or delayed periodically to save money.
 - c. More taxes are taken from current worker payrolls.

d. Benefits are now being taxed.

XII. Develop a secure retirement plan.

[Objective 12; TM 6; AS 3; JS 3]

A. Retirement planning

1. Many individuals experience financial difficulties, because they failed to plan for their retirement.
2. Because people are living longer today they need to plan carefully.
3. Typical sources of retirement income include:
 - a. Social security
 - b. Employer pensions
 - c. Part-time employment
 - d. Investment funds
 - e. Public assistance
4. Individuals should set aside a portion of their budget for retirement and begin making investments.
5. Most retired people will need about two-thirds to three-fourths of their income before retirement.
6. Social security benefits include:
 - a. Retirement benefits (based on number of years worked)
 - b. Survivor's benefits (paid to spouse and dependent children upon death)
 - c. Disability insurance (provides monthly income if disabled)
 - d. Medicare (provides hospital and medical insurance)
 - e. Social security benefits can begin at age 62, but benefits are reduced.
(NOTE: The longer a person waits to take benefits, the more he/she will receive from Social Security.)
7. Pension plans are available through many employers.
 - a. Pension plans typically are of two types:
 - 1) Defined benefit plan--all contributions made by company which then determines the benefit level.
 - 2) Defined contribution plan--contributions are fixed; benefits are based upon return on investment.
 - b. To be eligible for a pension plan, a person usually must work for a company several years. This is called vesting.
 - c. Pension amounts can be based on all earnings over years of employment or the last few years prior to retirement.

(NOTE: This last plan is more beneficial than the first, because more is earned in later years.)

- d. A pension should provide some benefit to a person's survivors.
 - e. Pension benefits are taxed as income.
 - f. The Employer Retirement Income Security Act of 1974 gives individuals the right to receive information on:
 - 1) The dollar amount of lifetime pension
 - 2) Any pension reduction for survivor's benefits
 - 3) The amount of widow's benefit (if applicable)
 - g. The Pension Benefit Guaranty Corporation is a federal agency which insures individuals whose pension plans are discontinued because a business no longer exists.

(NOTE: Amounts received may be lower than the original plan and the plan must have been covered by such insurance.)
8. Individuals need to provide for retirement (in addition to Social Security) through annuities, IRA accounts, Keogh Plans and pensions.
(NOTE: Keogh plans allow self-employed persons to establish accounts similar to IRA's but permit more generous donations; excellent tax benefits apply to such plans.)
- a. IRA funds can be placed in banks, mutual funds, insurance companies or accounts with brokerage houses.
 - b. An individual can have several IRA accounts but can contribute no more than \$2,000/year.
 - c. Money can be withdrawn from an IRA without tax penalty after age 59 1/2 or it can be left in the account until age 70 1/2, when the individual must begin to withdraw the funds.

(NOTE: IRA funds are taxed as ordinary income.)
 - d. Keogh plans permit much larger contributions per year. Contributions can be made as long as a person is self-employed. Self-employed persons should have both types of accounts particularly if they have no pension fund. Keogh plans can be invested in banks, mutual funds, insurance companies or accounts with brokerage houses.
 - e. Annuities provide a guaranteed lifetime income. Interest is tax free while money is accumulating in the account. Annuities are paid out in several forms, such as payments throughout a lifetime, payments equal to the amount paid in premiums, payment for as long

as the individual survivor lives, payments for life with a specific number of years guaranteed. Be sure to compare annuity features--some will have more advantages than others.

9. Making the transition from earned income to retirement income.
 - a. Develop a budget for retirement.
(NOTE: Be sure to include inflation as a factor in making a budget. Revise the budget as retirement nears.)
 - b. Check with the Social Security Administration every three years to be sure the earnings record is accurate.
 - c. Check on the benefits to be received from pension plan.
 - d. Analyze the activity in IRA and Keogh accounts periodically.
 - e. Purchase an annuity if it appears that it will be helpful.
 - f. Analyze insurance, investments, housing and be sure to establish a credit rating before retirement.

XII. Develop an estate plan.

[Objective 13; TM 7]

A. Those who own property should have a will.

(NOTE: Without a will an individual's assets could be distributed in ways he/she did not intend.)

1. Check with the local library, legal aid group, extension service, or attorneys to find out legalities related to wills in the state.
2. Individuals, husbands, and wives should have separate wills.
3. Wills may need to be changed as circumstances change.
4. Wills should be kept in a safe place.
(NOTE: A will should not be kept in a safe deposit box; after an individual's death, the safe deposit box is sealed until tax inspectors have examined it.)
5. Choose an executor for the will.
(NOTE: Choice of executors may change as circumstances change.)

B. Develop a complete list of all assets.

1. Devise a list which could include insurance policies, savings/checking accounts, investments,

- along with account numbers, personal property, credit cards, and location of will.
2. Be sure to give the location of all valuable papers and records of money owed to the estate.
 3. List any debts owed and persons to be notified in the event of death.
 4. To reduce the tax burden on the estate an individual may wish to use:
 - a. Joint ownership with right of survivorship: allows assets to go to survivor without going through probate.
 - b. Lifetime gifts: allow the individual to give away assets prior to death (within limits set by law). Assets are not included in the estate at death.
 - c. Trusts
 - 1) Allow an individual to give assets to another through an agreement.
 - 2) Someone is selected to oversee the trust; this can be the person establishing the trust in some cases, or someone designated.
 - 3) Testamentary trust goes into effect upon death giving the beneficiaries the assets of the estate.
 - 4) An inter vivos trust (living trust) goes into effect when it is written.
 - a) Irrevocable trust--no changes can be made. With an irrevocable trust, the individual loses control of his/her estate.
 - b) Revocable--all assets go directly to the beneficiaries without going through probate. Changes can be made.
 - 5) A trustee is usually assigned to administer a trust.
(NOTE: A trustee can be an institutional representative such as a bank or a trusted friend or relative.)

Meeting the Cost of Education

Types of Financial Aid:

- Grants/Scholarships
- Loans
- Work-Study

Sources of Financial Aid:

- Federal Government
- State Government
- Colleges/Universities
- Private Organizations

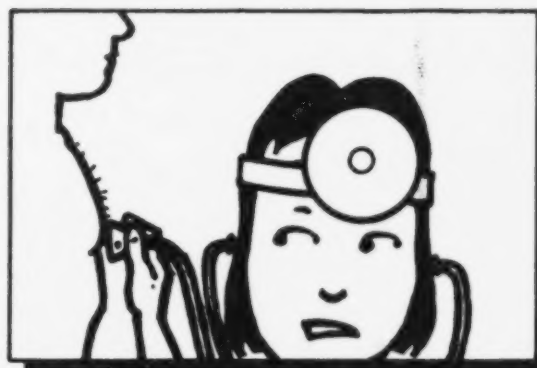


Why Do YOU Need Insurance?

ACCIDENT



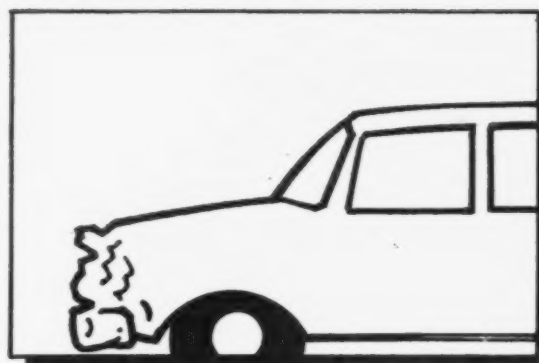
HEALTH



FIRE



AUTO



THEFT



Selecting a Financial Planner

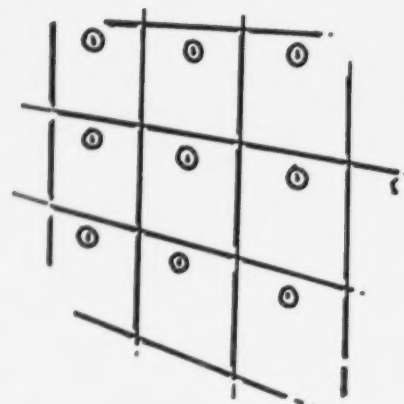
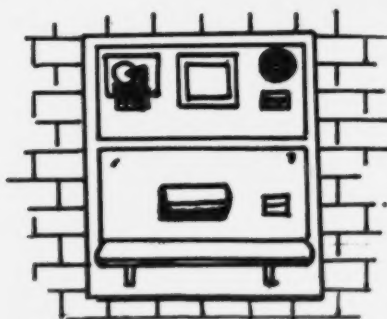
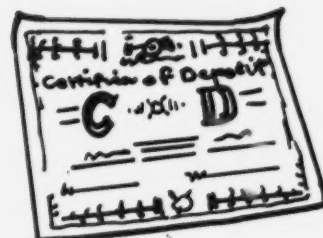
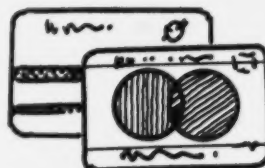
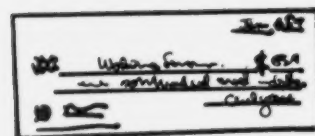
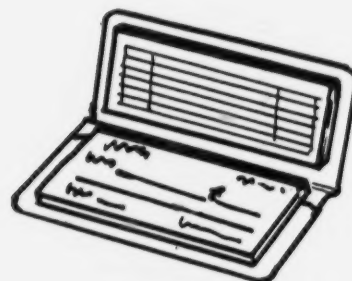
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Banking Services

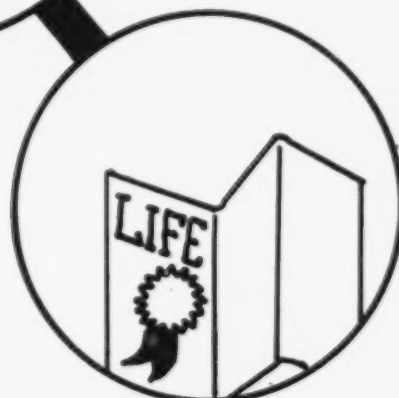
- Checking Account
- Savings Account
- Money Market Account
- Guaranteed Checks
- Bank Card
- Automatic Teller
- Safe Deposit Box
- Loans
- IRAs and KEOGH Plan
- Brokerage Service



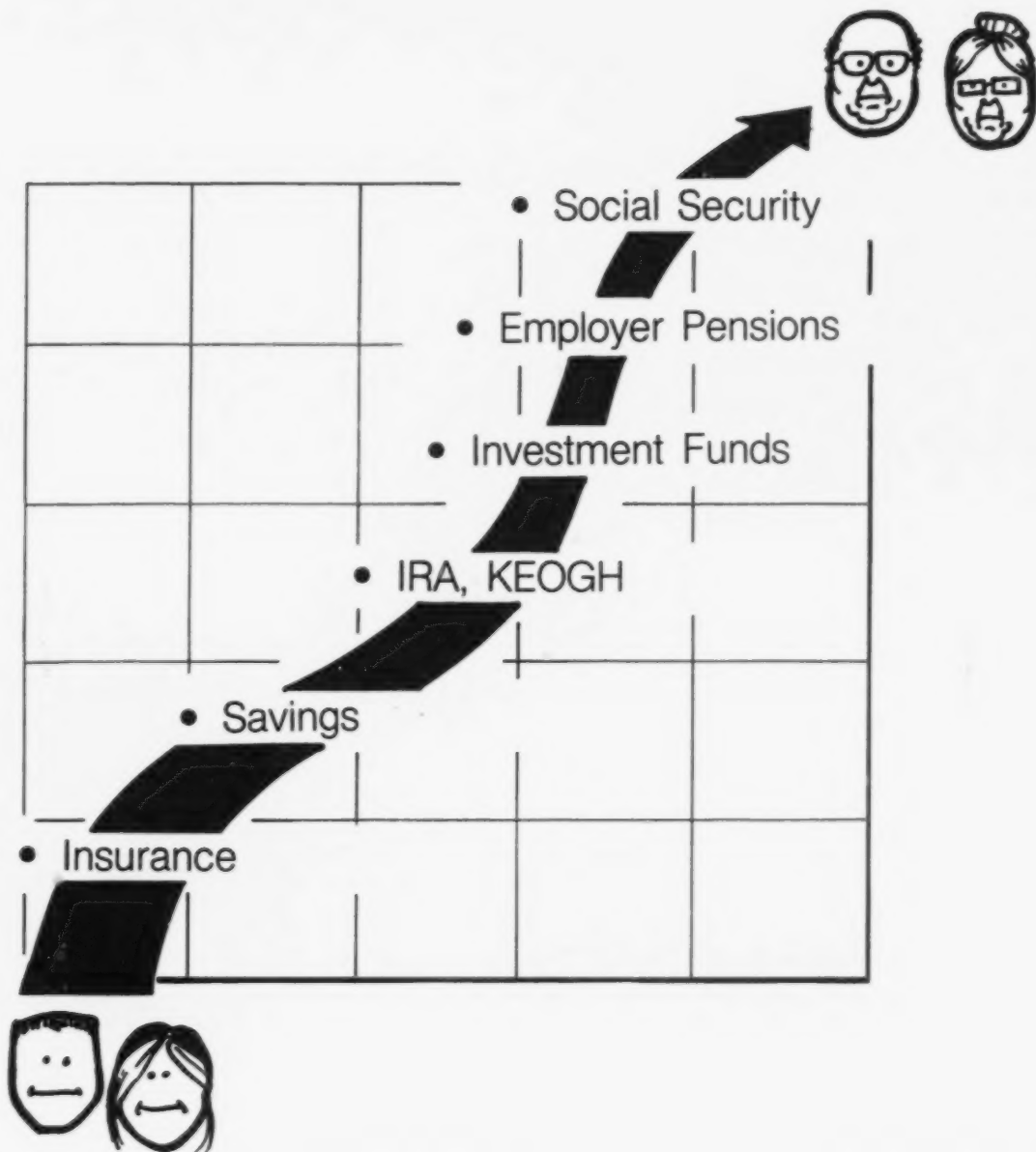
Selecting Savings and Investment Plans

Important Points to Consider

- Yield
- Liquidity
- Safety
- Convenience
- Minimum deposit/investment
- Charges, fees, or load
- Record, experience, and capability of the management company



The Path to Future Security Begins Today



An Efficiently Planned Estate...

- includes an updated will
- contains a "letter of last instructions"
- is designed to help buffer taxes, delays, and probate
- includes adequate life insurance
- is planned with professional advice



Name: _____
Point Value: _____
Points Earned: _____

PLANNING FOR THE FUTURE

UNIT X

ASSIGNMENT SHEET 1--SOLVE FINANCIAL PLANNING PUZZLE

Directions: Max and Mattie Raneyday are bewildered by the array of financial services, savings, and investment opportunities available to today's consumers. Help them find answers to the puzzle of financial planning by filling in the correct terms below.

Max and Mattie are trying to decide whether they should deal directly with a (1) _____, a dealer in securities, or if they should first get advice about how to manage their money from a (2) _____. They have decided that they want to establish an (3) _____, providing them with a pension plan to which they can contribute a set amount each year. An (4) _____, an account that pays a set amount each year based on personal level of investment is another option they have discussed.

Mattie and Max have also discussed the possibility of buying (5) _____, certificates of ownership in a corporation. Since they would initially have a relatively small amount of money to invest, a friend has suggested that they buy into a (6) _____; these investment funds pool the money of many investors to buy and sell large blocks of stock. The Raneydays would like to build up a (7) _____, the securities held by individual investors.

Insurance is another concern of the Raneydays. They are careful to set aside enough money to meet their monthly payments or (8) _____. When they were younger, Max and Mattie took out (9) _____, an insurance policy that deals strictly with protection of an individual's life. Now they are considering (10) _____, an insurance policy which includes a savings plan along with insurance protection.

Mattie and Max know that when they retire they can receive (11) _____, a supplementary source of income sponsored by the federal government. However, they realize that it is not intended to be the only source of income during retirement. They want to begin planning now for financial security.

Name: _____
Point Value: _____
Points Earned: _____

PLANNING FOR THE FUTURE

UNIT X

ASSIGNMENT SHEET 2--DETERMINE THE AMOUNT OF DEDUCTIBLE TO TAKE ON AUTOMOBILE INSURANCE

Directions: Read each section and then complete the computation in C.

- A. You are considering the amount of deductible to take on your automobile insurance. To make this decision, you need to know how much benefit a higher deductible would be to you. Remember, the higher your deductible, the lower your premium.
- B. To compute your advantage with a higher deductible, use the formula below:

current deductible = The number of years it takes to get the
premium reduction value of your payment back

- C. Example: your current deductible is \$200 and you are considering a \$500 deductible which will decrease your premium payment \$35. Compute the number of years it will take you to get the value of your payment back if you choose the higher deductible.

_____ = _____ years

If you have no claims over this time period, the higher deductible will be paid back to you in the form of premium reduction within the number of years you computed.

- D. Remember that uninsured losses (the amount you pay for damages) may be deductible on federal and state income taxes further increasing the value of a larger deductible for you. Check your federal and state tax laws with a tax advisor to find out the rules concerning losses.
- E. Summary: Explain below why a higher deductible on your insurance policy could be to your advantage.
- _____
- _____

Name: _____
Point Value: _____
Points Earned: _____

PLANNING FOR THE FUTURE

UNIT X

ASSIGNMENT SHEET 3--CALCULATE INTEREST EARNINGS AND SAVINGS GROWTH

Directions: Small amounts of money saved regularly add up to impressive sums. In the problems below, compute the amounts saved for each situation and place your answers in the blanks to the left.

- _____ 1. Save 25 cents a week for a year and keep it in a piggy bank.
- _____ 2. \$30.00 a month for a year saved in a savings account earning 6% compounded annually.
- _____ 3. Thirty cents a day stuffed in an old sock for a year.
- _____ 4. Depositing \$5.00 per month per year in a 5% passbook savings account compounded semi-annually.
- _____ 5. 8% interest earned on a \$400 savings bond for 3 years.
- _____ 6. \$2.50 saved from allowance each week for one year and placed under the mattress in the bedroom.
- _____ 7. Same amount as in above (#6) but placed in bank savings account at 4 1/2 % for 1 year.
- _____ 8. One dollar a day for 2 years placed in a credit union earning 10% interest.
- _____ 9. 5% annual interest on \$550 account for 7 years.
- _____ 10. A penny a day saved in an old mayonnaise jar for 10 years.

Name: _____
Point Value: _____
Points Earned: _____

PLANNING FOR THE FUTURE

UNIT X

ASSIGNMENT SHEET 4--APPLY FOR A SOCIAL SECURITY NUMBER

Here is an illustration of a Social Security card. A Social Security number is yours for life and may be used as your identification number, for work and other purposes. Application may be made at any Social Security Office. The Social Security law requires that applicants for a Social Security number card furnish evidence of their age, identity, and U.S. citizenship or lawful alien status. For example, the preferred document for a U.S. citizen is a public birth certificate.

Directions: A sample Application for a Social Security Number card is provided on the next page. Fill out the sample form as if you were applying for your own number. Print with black or dark blue ink pen or use a typewriter.



FORM SS-5 — APPLICATION FOR A SOCIAL SECURITY NUMBER CARD (Original, Replacement or Correction)

Unless the requested information is provided, we may not be able to issue a Social Security Number (20 CFR 422-103(b)).

INSTRUCTIONS TO APPLICANT Before completing this form, please read the instructions on the opposite page. Type or print, using pen with dark blue or black ink. Do not use pencil. SEE PAGE 1 FOR REQUIRED EVIDENCE.

NAA	NAME TO BE SHOWN ON CARD	First	Middle	Last
NAB	FULL NAME AT BIRTH (IF OTHER THAN ABOVE)	First	Middle	Last
1	OTHER NAME(S) USED			
ONA				
STT	MAILING ADDRESS	(Street/Apt. No., P.O. Box, Rural Route No.)		
2				
CTY	CITY (Do not abbreviate)	STE	STATE	ZIP ZIP CODE
CSP	CITIZENSHIP (Check one only)	SEX	SEX	ETB RACE/ETHNIC DESCRIPTION (Check one only) (Voluntary)
3	☐ a. U.S. citizen ☐ b. Legal alien allowed to work ☐ c. Legal alien not allowed to work ☐ d. Other (See instructions on Page 2)	4	☐ MALE ☐ FEMALE	☐ a. Asian, Asian-American or Pacific Islander (Includes persons of Chinese, Filipino, Japanese, Korean, Samoan, etc., ancestry or descent) ☐ b. Hispanic (Includes persons of Chicano, Cuban, Mexican or Mexican-American, Puerto Rican, South or Central American, or other Spanish ancestry or descent) ☐ c. Negro or Black (not Hispanic) ☐ d. Northern American Indian or Alaskan Native ☐ e. White (not Hispanic)
DOB	DATE OF BIRTH	MONTH	DAY	YEAR
6				
AGE	PRESENT AGE	PLB	PLACE OF BIRTH	CITY (Do not abbreviate)
7		8		
MNA	MOTHER'S NAME AT HER BIRTH	First	Middle	Last (Her maiden name)
9				
FNA	FATHER'S NAME	First	Middle	Last
PNO	a. Has a Social Security number card ever been requested for the person listed in item 1?	b. Was a card received for the person listed in item 1?		
10	☐ YES(2) ☐ NO(1) ☐ Don't know(1)	☐ YES(3) ☐ NO(1) ☐ Don't know(1)		
▶ IF YOU CHECKED YES TO A OR B, COMPLETE ITEMS C THROUGH E; OTHERWISE GO TO ITEM 11.				
SSN	c. Enter the Social Security number assigned to the person listed in item 1.			
NLC	d. Enter the name shown on the most recent Social Security card issued for the person listed in item 1.			
PDB	e. Date of birth correction (See instruction 10 on page 2)	MONTH	DAY	YEAR
11	TODAY'S DATE	MONTH	DAY	YEAR
12	Telephone number where we can reach you during the day. Please include the area code.	HOME	OTHER	
ASD	WARNING: Deliberately furnishing (or causing to be furnished) false information on this application is a crime punishable by fine or imprisonment, or both.			
IMPORTANT REMINDER: WE CANNOT PROCESS THIS APPLICATION WITHOUT THE REQUIRED EVIDENCE. SEE PAGE 1.				
13	YOUR SIGNATURE	YOUR RELATIONSHIP TO PERSON IN ITEM 1		
14		☐ Self ☐ Other (Specify) _____		
WITNESS (Needed only if signed by mark "X")		WITNESS (Needed only if signed by mark "X")		

DO NOT WRITE BELOW THIS LINE (FOR SSA USE ONLY)				
DTC (SSA RECEIPT DATE)		NPN		DOC
NTC	CAN	BIC	IDN	ITV
				☐ MANDATORY IN PERSON INTERVIEW CONDUCTED
TYPE(S) OF EVIDENCE SUBMITTED				SIGNATURE AND TITLE OF EMPLOYEE(S) REVIEWING EVIDENCE AND/OR CONDUCTING INTERVIEW
				DATE
				DATE
				DCL

Form SS-5 (8-85)

8/84 and 1/85 editions may be used until supply is exhausted

PLANNING FOR THE FUTURE

UNIT X

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

1. stock broker
2. financial counselor
3. Individual Retirement Account (IRA)
4. annuity
5. stocks
6. mutual fund
7. portfolio
8. premiums
9. term insurance
10. whole life insurance
11. Social Security

ASSIGNMENT SHEET 2

C. $\frac{500}{35} = 14.3$

- E. Sample response: Premium payments are reduced and insurance costs are returned to the policy holder over several years if no claims are made. Tax laws might increase the advantages of a higher deductible also.
(NOTE: Answer should make mention of cost return through lower premiums, return on insurance costs, having no claims for the time period computed, and tax regulation in order for student to receive total point value for response.)

ASSIGNMENT SHEET 3

1. $\$13.00 = .25 \times 52$
2. $\$381.60 = (360 \times .06) + 360$
3. $\$109.50 = 365 \times .30$
4. $\$64.58 = (30.00 \times .05) + 30.00 = 31.50 + 30.00 = 61.50 \times .05 = 3.08 + 61.50$
5. $\$96.00 = 3(400 \times .08)$
6. $\$130.00 = 2.50 \times 52$
7. $\$135.85 = (130 \times .045) + 130$
8. $\$803.00 = 2(365.00 + 36.50)$
9. $\$742.50 = 7(550.00 \times .05) + 550.00$
10. $\$36.50 = 36.50/\text{year} \times 10 \text{ years}$

ASSIGNMENT SHEET 4

Completed form typed or neatly printed in black or blue ink.

Name: _____

PLANNING FOR THE FUTURE

UNIT X

JOB SHEET 1--ANALYZE INSURANCE POLICIES

- A. Materials: Insurance policies
- B. Obtain automobile insurance policies from several dealers and use the form below to analyze each section of the policy (C) and to compare two or more policies (D).
- C. Section of insurance policy analyzed (for ex., collision):

- _____
1. Amount of coverage: _____
 2. Items covered: _____

 3. Items not covered: _____

 4. Discounts available: _____

 5. Cancellation policies: _____

 6. Procedures for settling claims: _____

D. Section compared on two (or more) policies:

	<u>Policy 1</u>	<u>Policy 2</u>
1. Coverage amount per section:	_____	_____
2. Deductible amounts:	_____	_____
3. Discounts available:	_____	_____
4. Cost per section:	_____	_____

E. Determine which policy section would be the best buy and discuss the following points:

1. Policy section which offers the best buy; explain your response: _____

2. Policy which you feel offers the best terms for settlement: _____

3. Policy which you feel has the best terms with regard to cancellation: _____

Evaluation Criteria		Point Value	Points Earned
1.	Analyzed each point of assigned policy section		
2.	Compared two or more policies on all points given		
3.	Discussed additional questions concerning policy		
4.	Used correct grammar and spelling		
Total Points			

Name: _____

PLANNING FOR THE FUTURE

UNIT X

JOB SHEET 2--SELECT INVESTMENTS AND RECORD STOCK ACTIVITY

Directions: Your group will act as an investment club called the _____. You have pooled your resources and have a total of \$20,000 to invest.

Your club task will be to decide just how much and in what particular common stocks you will invest your \$20,000 and then complete the attached Stock Purchase Form.

Next, you will read the daily stock market quotations and note the increases or decreases of the market value of the stocks your club owns. These fluctuations will be marked on the "Activity Summary" sheets attached (use one sheet for each separate purchase).

At the end of a week, your club will meet again and update the current market value of their investments. You are to disregard any broker fees or other costs when figuring market values - just go by the daily quoted closing price. You may not do any trading (buying and selling) during the week but must figure your final worth totals on the current values of your original purchases. The total worth of your club's stocks will be figured and turned in to you teacher.

(NOTE TO THE TEACHER: This activity may be conducted as a game in which the club with the highest investment market value will be assumed to have made the wisest investments and will be the winner of the simulation game.)

Evaluation Criteria		Point Value	Points Earned
1.	Participated with group (club) in selecting stocks to "purchase"		
2.	Assisted group in completing Stock Purchase Form		
3.	Assisted group in completing a stock activity summary for each "purchase"		
4.	Recorded daily activity of stocks		
5.	Calculated increase or decrease for each "purchased" stock		
Total Points			

650

Club Name: _____

[illegible]

152

759

STOCK ACTIVITY SUMMARY

Club: _____

Purchase Price: _____

Your Name: _____

Type of Stock: _____

No. of Shares Purchased: _____

Increase: \$ _____ Decrease ? _____

	Buy	1st Day	2nd Day	3rd Day	4th Day	5th Day	6th Day	7th Day
+4.0								
+3.5								
+3.0								
+2.5								
+2.0								
+1.5								
+1.0								
+0.5								
Purchase Price								
-0.5								
-1.0								
-1.5								
-2.0								
-2.5								
-3.0								
-3.5								
-4.0								

Name: _____

PLANNING FOR THE FUTURE

UNIT X

JOB SHEET 3--ANALYZE SAVINGS/INVESTMENT PLANS

A. Materials:

Savings and investment information, flyers, leaflets from financial institutions

B. Procedure:

1. Divide class into small groups.
2. Each group select one form of savings or investment to study in depth, such as:

-Bank/money market deposits	-Mutual funds
-Bank savings accounts	-Annuities
-Bonds (corporation)	-IRAs
-Government bonds	-Keogh plan
-Treasury bills	-Stocks

3. Obtain information, flyers, leaflets from financial institutions in your local area or the school or city library.
4. Review and summarize your findings by recording the following information:

a. Description of savings/investment strategy:

b. Available from: _____

c. Costs: _____

d. Value to consumer: _____

e. Drawbacks to consumer: _____

5. Report your findings to the class.

Evaluation Criteria		Point Value	Points Earned
1.	Shared responsibilities with other student(s)		
2.	Gathered information on savings/ investment strategy		
3.	Summarized findings from information gathered		
4.	Provided enough information to help in decision making		
Total Points			

Name: _____
Point Value: _____
Points Earned: _____

PLANNING FOR THE FUTURE

UNIT X

UNIT TEST

Part One: Matching Terms and Definitions

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|----------------------------------|------------------------|
| a. annuity | i. premium |
| b. mutual fund | j. portfolio |
| c. individual retirement account | k. financial counselor |
| d. executor | l. stock broker |
| e. money market account | m. coinsurance |
| f. beneficiary | n. probate |
| g. stock | o. dividend |
| h. Social Security | |

- _____ 1. An individual trained and certified to assist individuals in managing their money.
- _____ 2. A dealer in securities.
- _____ 3. An account offered through a brokerage firm which provides limited checking, personal loans and may provide credit cards.
- _____ 4. One who receives payment from an insurance policy upon the death of an insured person.
- _____ 5. An individual appointed to carry out a will.
- _____ 6. Investment funds which pool the money of many investors to buy and sell large blocks of stock.
- _____ 7. A pension plan to which individuals can contribute a set amount each year.
- _____ 8. A process of proving that a person's last will and testament is genuine.
- _____ 9. An account which pays a set amount to an individual each year based on personal level of investment.

- _____10. Certificate of ownership in a corporation.
- _____11. A share of a company's profits distributed to owners of shares in the company.
- _____12. A supplementary source of income sponsored by the federal government which provides income when family earnings are reduced or stopped because of disability, retirement, or death.
- _____13. The securities held by an individual investor.
- _____14. A stable monthly, semiannual, or annual payment made for insurance coverage.
- _____15. Insurance in which the insured pays a percentage of costs and the insurer pays the remainder.

Part Two: Multiple Choice

Directions: For each of the questions below, choose the one best answer by circling the letter of the correct statement.

- 16. Which of the following types of educational aid must be repaid?
 - a. Pell Grant
 - b. Supplemental Educational Opportunity Grant
 - c. National Direct Student Loan
 - d. All of the above
 - e. None of the above
- 17. When choosing a company to handle insurance needs, the consumer should consider company policies regarding:
 - a. Cancellation
 - b. Claim settlements
 - c. Unemployment
 - d. A and b above
 - e. B and c above
- 18. All of the following are characteristics of disability insurance, except:
 - a. Payments may or may not last indefinitely
 - b. Payments usually cease when the individual reaches retirement age
 - c. They usually have no waiting period
 - d. Payments may be reduced if assistance is received from other policies
 - e. A and b above

19. An individual should try to obtain disability insurance that covers which of these time periods:
- a. Throughout teenage and young-adult years
 - b. Throughout working years
 - c. Throughout middle age
 - d. Throughout retirement years
 - e. Only during years of heavy physical labor
20. With homeowner's/renter's insurance, high cost personal items such as fur coats, cameras, jewelry:
- a. Require additional coverage
 - b. Are automatically covered
 - c. Are not covered
 - d. Require separate coverage by the federal government
 - e. Can only be insured by Lloyds of London
21. Why is it important for people to understand their tax bracket?
- a. To plan ways to save
 - b. To play ways to invest
 - c. To plan to get the greatest return on their money
 - d. All of the above
 - e. None of the above
22. Who can a consumer contact to find a qualified financial planner?
- a. The Institute of Certified Financial Planners
 - b. The International Association for Financial Planning
 - c. The Better Business Bureau
 - d. A and b above
 - e. A and c above
23. What is the Federal Deposit Insurance Corporation?
- a. Insurance consumers can purchase to avoid losing money on savings when interest rates fall
 - b. An agency which insures money market accounts
 - c. A federal agency which issues "guaranteed bonds"
 - d. A nation-wide association of banks, savings and loan associations, credit unions, and investment companies
 - e. A government agency established to maintain the stability of the American banking system

24. Which of the following provide the small investor with a way to invest in securities?
- a. Annuities
 - b. Mutual funds
 - c. Treasury bonds
 - d. Stocks
 - e. Bonds of corporations
25. To obtain Social Security benefits, an individual must have:
- a. A social security card
 - b. Proof of age
 - c. Evidence of retirement
 - d. A and b above
 - e. All of the above
26. At what age does an individual become eligible to receive Social Security retirement benefits?
- a. 55
 - b. 62
 - c. 63
 - d. 65
 - e. Upon retirement at any age
27. Which of the following is a true statement about Social Security?
- a. Only those who have been employed are eligible for Social Security benefits
 - b. Social Security is intended to provide total income upon retirement
 - c. The more a worker earns, the lower his/her return from Social Security upon retirement
 - d. Medicare and Medicaid are included free as a part of Social Security
 - e. None of the above
28. The amount most people will need when they retire is:
- a. One-fourth to one-third of their income before retirement
 - b. Two-thirds to three-fourths of their income before retirement
 - c. One half their income before retirement
 - d. The same amount they earned before retirement
 - e. Impossible to estimate

29. Who should have a will?

- a. Those who own property
- b. Those who are engaged to be married
- c. Those who are wealthy
- d. Anyone over the age of 21
- e. Everyone

30. To reduce the tax burden on the estate an individual may wish to use:

- a. Personal assets
- b. Individual will
- c. An executor chosen in consultation with all family members and potential beneficiaries
- d. Joint ownership with right of summons
- e. Revocable institutional tax receivership

Part Three: Matching

Directions: Match the type of insurance with the coverage it is designed to provide by placing the letter of the insurance type in the blank beside the type of coverage offered.

- | | |
|-------------------------|----------------------------|
| a. Medical insurance | d. Surgical insurance |
| b. Disability insurance | e. Major medical |
| c. Hospital insurance | f. Mental health insurance |

- _____ 31. Covers prolonged illness or disability
- _____ 32. Covers room, board, and operating expenses
- _____ 33. Covers x-ray or laboratory expenses
- _____ 34. Covers expenses should you need surgery
- _____ 35. Provides for you if you cannot work or are in an accident

Directions: Indicate the type of insurance described by each statement below by writing "a" beside items which describe whole life insurance and "b" beside items which describe term life insurance.

- | | |
|-------------------------|------------------------|
| a. Whole life insurance | b. Term life insurance |
|-------------------------|------------------------|

- _____ 36. The more expensive type of life insurance
- _____ 37. More suitable for a young person
- _____ 38. May be converted to an annuity at retirement

- _____ 39. Allows the policy holder to borrow money at a favorable interest rate

Part Four: Short Answer

Directions: Write your answer to each of the following questions.

40. List three sources of educational aid.

- a. _____
b. _____
c. _____

41. If your insurance policy contains a deductible clause, what does that refer to?

42. If you were considering bodily injury coverage and the insurance agent quoted you a coverage of \$25,000/\$40,000, what does this quote mean?

43. List three ways to save money on car insurance costs.

- a. _____
b. _____
c. _____

44. Distinguish between Medicare and Medicaid insurance.

45. Identify three considerations in selecting an investment source. Explain your answers.

a. _____

b. _____

c. _____

46. List two benefits received with Social Security.

a. _____

b. _____

47. What three sources of income should you have when you retire?

a. _____

b. _____

c. _____

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

48. Solve financial planning puzzle (Assignment Sheet 1).

49. Determine the amount of deductible to take on automobile insurance (Assignment Sheet 2).

50. Calculate interest earnings and savings growth (Assignment Sheet 3).

51. Apply for a Social Security number (Assignment Sheet 4).

52. Analyze insurance policies (Job Sheet 1).

53. Select investments and record stock activity (Job Sheet 2).

54. Analyze savings/investment plans (Job Sheet 3).

PLANNING FOR THE FUTURE

UNIT X

ANSWERS TO TEST

Part One

- | | |
|------|-------|
| 1. k | 9. a |
| 2. l | 10. g |
| 3. e | 11. o |
| 4. f | 12. h |
| 5. d | 13. j |
| 6. b | 14. i |
| 7. c | 15. m |
| 8. n | |

Part Two

- | | |
|-------|-------|
| 16. c | 24. a |
| 17. d | 25. d |
| 18. c | 26. b |
| 19. b | 27. c |
| 20. a | 28. b |
| 21. d | 29. a |
| 22. d | 30. d |
| 23. e | |

Part Three

- | | |
|-------|-------|
| 31. e | 36. a |
| 32. c | 37. b |
| 33. a | 38. a |
| 34. d | 39. a |
| 35. b | |

Part Four

40. Any three of the following in any order:
Federal government
State government
Colleges
Private programs
41. It means that you will pay so much per claim and the insurance company will pick up the rest of the damages.
42. That the insurance company will pay \$25,000 per claim not exceed \$40,000 for all claims.

43. Any three of the following in any order:
Reduce number of miles driven.
Increase your deductible.
Purchase family rather than single coverage.
Know what sections of the policy to pay more or less for
Do not purchase duplicate insurance.
Ask for available discounts, such as for non-drinkers, car poolers, those with good driving records.
Maintain a good driving record.
Pay premiums annually rather than monthly.
44. Medicare requires users to pay a portion of costs; Medicaid is for those in need and unable to pay costs.
45. Any three of the following in any order:
Yield, the amount of interest to be received and whether it changes as rates change.
Liquidity, how easily funds can be withdrawn; are there penalties for early withdrawal; can only a limited number of withdrawals be made?
Safety, are accounts insured by the federal government?
Minimum deposit, how much money is needed to open an account
What charges are made if the account falls below the minimum?
Convenience, can an account be opened or closed easily; can transactions be made by phone; are bank machines available for after hours and quick service?
Charges, what are the charges for various bank services; are there charges for deposits/withdrawals?
Other services, are any special privileges provided by having an account with a particular institution? Record, experience, and capability of the management company.
46. Any two of the following:
retirement benefits, survivor's benefits, disability insurance, medicare
47. Social Security
Employer pensions
Investment funds
- 48-51. See Answers to Assignment Sheets
- 52-54. Evaluated to the satisfaction of the teacher in accordance with criteria listed on the Job Sheets.

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

UNIT OBJECTIVE

Upon completion of this unit, the student should be able to use economic principles, interpret the strengths and limits of public service, and analyze public service use and abuse. Competencies will be demonstrated by correctly performing the procedures outlined in the Assignment and Job Sheets and achieving an overall score of 85 percent on the Unit Test.

SPECIFIC OBJECTIVES

After completion of this unit, the student should be able to:

1. Based on the content outline, DEFINE ECONOMIC TERMS AND DEFINITIONS by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 1.
2. Based on the content outline, Transparency Masters 1 and 2, DESCRIBE ECONOMIC PRINCIPLES by attaining 100 percent accuracy on the Unit Test.
3. Based on the content outline, ANALYZE OPPORTUNITY COSTS by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 1.
4. Based on the content outline, DEFINE GROSS NATIONAL PRODUCT by attaining 100 percent accuracy on the Unit Test and/or completing Assignment Sheet 2.
5. Based on the content outline, ANALYZE TAX EXEMPTIONS by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 2.
6. Based on the content outline and Transparency Master 3, DEMONSTRATE THE ABILITY TO PREPARE AN INCOME TAX RETURN by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 3.
7. Based on the content outline and Transparency Master 4, RELATE TAXES TO PUBLIC SERVICE by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 4 or 5.
8. Based on the content outline, ANALYZE USE AND ABUSE OF PUBLIC SERVICES by attaining 100 percent accuracy on the Unit Test and/or completing Job Sheet 5.

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

SUGGESTED ACTIVITIES

- A. Obtain additional materials and/or invite resource people to supplement/reinforce information provided in this unit.

(NOTE: This step should be completed prior to the teaching of this unit.)

- B. Make transparencies.
- C. Provide students with Objective Sheet.
- D. Discuss Unit and Specific Objectives.
- E. Provide students with Information Sheet.
- F. Discuss the Information Sheet.

(NOTE: Use transparencies to enhance the information as needed.)

- G. Provide students with assignment and/or job sheets prior to the demonstration of the procedures.
- H. Integrate the following activities throughout the teaching of this unit:

1. Introduce the unit by explaining the terminology provided on the Information Sheet.

(NOTE: Show examples when possible.)

2. Select an institution in your community (bank, business) and through personal interview and review of available printed materials dealing with the institution, prepare an essay clarifying what the institution contributes to the economy of the community.
3. Collect newspaper articles over a several-week period dealing with activities of the Federal Reserve System. Summarize activities that occurred over this time period. Conduct a discussion of the impact of these activities on the nation's economy.
4. Collect information regarding trading policies of selected countries. Compare these policies to those of the United States. Conduct a discussion of the effect these policies have upon consumers.

5. Interview a consultant from the Internal Revenue Service concerning the latest changes in the tax laws. Use this information when completing Job Sheet 3.
 6. Collect evidence of the use and abuse of public services in your community by reviewing newspaper articles, talking with parents and community leaders. Collect and organize findings. Present them in a school-wide assembly, the school newspaper or the class bulletin board. Sample topics might include: "Who Uses Our Banks and Recreation Facilities;" "The Need for Transportation to the Community Elderly," "How Public Health Services Help Us All."
- I. Give test.
 - J. Evaluate test.
 - K. Reteach if necessary.

CONTENT OF THIS UNIT

- A. Objective Sheet
- B. Suggested Activities
- C. Information Sheet
- D. Transparency Masters
 1. TM 1--Economic Resources
 2. TM 2--Production Factors That Make Our Economy Work
 3. TM 3--Basic Tax Calculations
 4. TM 4--The Three R's of Taxation
- E. Assignment Sheets
 1. Assignment Sheet 1--Define and Use Economic Terms
 2. Assignment Sheet 2--Define the Gross National Product
- F. Answers to Assignment Sheets
- G. Job Sheets
 1. Job Sheet 1--Determine Opportunity Costs
 2. Job Sheet 2--Fill Out Income Tax Exemptions Form
 3. Job Sheet 3--Prepare Income Tax Returns
 4. Job Sheet 4--Identify Federal, State, and Local Resources Available in Your Community
 5. Job Sheet 5--Interpret Public Service Concerns

- H. Unit Test
- I. Answers to Test

REFERENCES USED IN DEVELOPING THIS UNIT

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Recognizing the Citizen's Role in Our Economy Unit XI

Cross-Reference Table of Instructional Materials

Competency	Instructional Objective	Transparency Master	Handout	Assignment Sheet	Job Sheet	Test Item	Missouri Core Competencies and Key Skills
*	1			AS 1		1-10	
K.1.	2	TM 1, 2				17, 18, 19	SSIXO1; SSIXP1,2; SSIXQ1,2; SSIXR1; SSXM2,3; SSXP1,2,3,4,5,6; SSXQ1,2,3; SSXR1,2
K.1.	3				JS 1	11	
K.1.	4			AS 2		12, 24	
K.2.	5				JS 2	13, 14	LXE2
K.3.	6	TM 3			JS 3	15, 20, 21	LXE2; MIXB3; MXH4
K.4.	7	TM 4			JS 4, 5	18, 22	SSIXO1; SSXO5
K.5.	8				JS 5	16, 23	

*Prerequisite Knowledge

See "Notes to the Teacher," pp. vii-viii, for an explanation of how to use this table.

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RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

INFORMATION SHEET

I. Define economic terms.

[Objective 1; AS 1]

- A. Capitalism--an economic system based upon private ownership and decisions rather than state control.
- B. Competition--in an economy, two or more producers of a similar good/service try to win the majority of buyers for their product.
- C. Deficit--the difference between the amount of money spent by the budget sector of government and the amount it has taken in, so that money must be borrowed to make up the difference.
- D. Deduction: amount of money which can be excluded in calculating an individual's income taxes.
- E. Deflation--a reduced money supply, which is usually accompanied by lower prices.
- F. Economic system--a decision-making process which involves the laws, motivations, and interactions of goods and services.
- G. Ethics--a system of principles or moral values.
- H. Gross National Product (GNP)--the total value of all goods and services produced by a nation during a year.
- I. Inflation--the weighted average price rise of all goods and services per year.

(NOTE: Increased prices or decreased money value result when a large amount of money is available for too few goods and services.)

- J. Microeconomics--the distribution of goods, services, and resources, and their effects on households and markets.

- K. Macroeconomics--the study of all the elements involved in the economy or with the relationships of large structures in the economy.
- L. Market economy--a system of supply and demand for goods and services.
- M. Opportunity cost--the lost benefits of an unchosen alternative when one alternative is chosen over another.
- N. Productivity--the output achieved from the input provided.
- O. Profits--a monetary gain made on the provision of goods or services.
- P. Scarcity--the result of unlimited wants producing a lack of available goods and services.
- Q. Special interest groups--a group with a specific concern which tries to get laws or policies passed for their benefit.
- R. Standard of living--the least number of goods and services needed to maintain an individual group's lifestyle.
- S. Tax audit--the IRS checks an income tax return for accuracy.
- T. Tax credit--a reduction in taxes owed after taxes are computed.
- U. 1099 form--a statement given by institutions which indicates the dividends an individual earned for the year.
- V. Transfer payments--income is collected from one population group for distribution to another population group.
- W. W-2 form--a wage and tax statement given to the worker by the employer, indicating income for the previous year, as well as amounts of income tax and social security tax withheld.

II. Use economic principles.

[Objective 2, 3, 4; TM 1, 2; AS 1, 2; JS 1]

- A. Consumers live in an environment of scarce resources.

1. United States consumers live in a capitalistic economy.
 - a. The economy is based on the law of supply and demand.
(NOTE: Usually, the greater the availability of a good or service, the less it costs; the scarcer the good or service, the more it costs.)
 - b. The economy is based on money, which moves in a circular flow from the producer to the consumer and back again.
 - c. Capitalism has flaws.
 - 1) It must be controlled so that the environment does not become totally polluted.
 - 2) It does not respond effectively to those who cannot purchase goods and services.
 - 3) It has no means of stopping a severe economic decline.
 - d. Capitalism is highly dependent on a market economy.
(NOTE: Consumers, businesses, investors, workers and others participate in the economy through the decisions they make.)
2. Consumers have unlimited wants.
3. With scarce resources, consumers must make choices among resources, such as:
 - a. Natural resources: coal, oil, minerals, timber
 - b. Human resources: skills, strength, education, talent
 - c. Other goods: buildings, bridges, roads
4. If consumers select one option over another, i.e., using a site for a sports arena over a park, they experience opportunity costs.
5. Scarcity of resources is reduced when productivity increases.
(NOTE: To increase productivity, develop a specialized labor force, invest to improve human resources, and invest in goods such as buildings, equipment, etc.)
6. The family is only one economic unit in society, along with banks, labor unions, businesses, and government agencies.
 - a. The United States culture offers incentives to individuals and groups to participate in economic decisions.
(NOTE: Incentives include private ownership and financial gain.)
 - b. Other societies place less stress on individual incentives and more emphasis on

service to the state, for example, the Soviet Union, China.

B. Money is the major unit of exchange in our economy.

1. Money is regulated by the Federal Reserve system.
(NOTE: The Federal Reserve system is governed by a board of directors in Washington, D.C.)
2. The System consists of 12 regional banks located in major U.S. cities.
3. Local commercial banks are regulated by the system.
4. The Federal Reserve System has the power to control the money supply and influence unemployment and inflation.
5. Banks belonging to the system set aside a portion of their assets as reserves to cover their loans.
6. Banks transfer money among one another, leading to interdependence.
(NOTE: What happens to banks located in one area can influence banks in other locations.)

C. Macroeconomics influences how our consumer economy is organized.

1. The economy contains markets through which goods, services, and money can be exchanged.
2. By comparing prices within various markets, consumers can determine which good/services are the best buy at a particular time.
3. Competition in the marketplace helps reduce consumer costs.
 - a. When the market contains only one seller of a product, consumers face a monopoly.
 - b. When only a few sellers of a product operate, it is called an oligopoly.
 - c. Should sellers band together to determine prices and shares of the market, they are called a cartel.
4. Other areas which influence how the market functions include:
 - a. The amount of knowledge each citizen has to help in making market decisions
 - b. The types of decisions that are made
 - c. Consumers' ability to obtain new/updated resources
 - d. Governments decisions which affect market status
 - e. Laws and legal regulations which influence the types of action taken
5. What each person has to sell in the market (labor, goods/services) determines the amount of income the person earns.

- a. If individuals cannot provide something for the market to create income, they may receive transfer payments to survive.
(NOTE: Transfer payments include Aid to Dependent Children, Social Security benefits, and unemployment compensation, to name a few.)
- b. Many forces affect how income is distributed, such as age, sex, race, and talent.
- c. Political decisions also influence how income is distributed in the economy.

D. Macroeconomics influences how consumers interact in the marketplace.

- 1. Personal income tax is the largest source of federal income.
- 2. Other sources of taxes for governments include payroll taxes (Social Security), corporation taxes, excise taxes (alcohol, cigarettes).
(NOTE: Taxes are used to support social service programs and national defense.)
- 3. States rely on sales taxes, personal income taxes, fees, licenses, and permit charges.
- 4. If government spending increases, but taxes are reduced, a deficit may result.
(NOTE: Because the mid 1980s saw the government operating with its highest deficit in history, Congress passed and the President signed the Gramm-Rudman-Hollings Bill. Gramm-Rudman-Hollings involves only a portion of the budget which is subject to automatic cuts in order to achieve a balanced federal budget by 1990.)
(NOTE: If government has a deficit, it issues bonds to secure money at favorable interest rates. The government attracts money that could be used in private businesses thus expanding production or improving markets and profits.)
 - a. Government programs attract money which could otherwise be used to improve the economy.
 - b. Government programs attract skilled labor which is then no longer available for private industry purposes.
- 5. The government determines how well our economy is doing each year by measuring the Gross National Product (GNP).
(NOTE: Some people believe that if our Gross National Product gets bigger every year, we are better off.)
 - a. The GNP does not tell if all of us are benefitting from it.
 - b. The GNP does not indicate if what is produced is of high quality.

- c. The GNP does not include all the things people do for themselves (repair own cars, etc.), as well as the unpaid work of homemakers.
(NOTE: Because many transactions are not counted, there is not a true picture of the GNP.)
 - d. Continuous growth in the GNP could result in a declining, polluted environment.
- E. Consumer spending makes up a large part of the Gross National Product.
 - 1. Consumer spending can influence the level of economic activity
(NOTE: When products are not purchased, people are put out of work.)
 - 2. The higher the consumer's income, the greater his/her buying power.
- F. If the economy is operating effectively:
 - 1. Consumers are free to make the economic choices they wish.
 - 2. Consumers obtain maximum benefit from the efficient use of resources.
 - 3. Income is fairly distributed among the population.
 - 4. The population functions in a secure economic environment.
 - 5. Inflation and deflation are in balance.
 - 6. The standard of living continually improves.
 - 7. All who want employment are employed.
- G. International economic concerns
 - 1. The United States faces a high degree of competition from world-wide marketing systems.
 - 2. Resources are distributed unevenly world-wide, making it necessary to buy goods and services from other countries.
 - 3. If all countries specialized in what they do best and sold these items in world markets, few trade problems would exist.
 - a. Limitations are set on imports from other countries, so that domestic markets are not hurt.
 - b. When import barriers are set, domestic workers will have more jobs and higher pay.
 - c. Consumers have to pay more for goods and services when competition among countries is reduced.
 - 4. Countries are more interdependent today than in the past.

- a. If United States consumers buy more foreign than domestic goods, American dollars go overseas and American workers lose jobs and income.
- b. If the United States uses trade barriers and keeps more American dollars at home, then foreign competitors face loss of money, must put people out of work, and may be unable to pay off debts they owe the United States.
- c. The flow of dollars out of or into a country is called balance of payments.

III. Fill out income tax exemption form (W4).

[Objective 5; JS 2]

- A. Tax exemption forms are completed by wage earners to tell employer how much to take out of an individual's monthly check.
- B. More funds are taken out for individuals without family responsibilities than for those with family responsibilities.
- C. Claiming dependents (spouse, children, parents) reduces the amount deducted from your monthly check.
 - 1. A claimant must furnish at least half of an individual's support in order to claim him/her as a dependent.
 - 2. The dependent cannot earn over a set amount established by tax law. (An exception to the above would be children under age 19 or full-time students supported by their parents.)
(NOTE: How exemptions are interpreted varies as Congress changes tax laws.)
- D. Based on marital status or lifestyle, a worker may want to submit a revised exemption form to his/her employer periodically.
(NOTE: Normally employers allow changes in status to be made once per year.)

IV. Prepare income tax return.

[Objective 6; TM 3; JS 3]

- A. Income taxes support government functions.
- B. The individual's tax standing will vary yearly as new tax laws are passed and Congress modifies older rulings.

- C. Americans do not pay as high taxes as citizens in some other countries, such as Sweden and Belgium, or as low taxes as in Italy.
- D. Federal income taxes are a form of progressive taxation, i.e. more taxes are paid as income rises.
1. Taxpayers earn different income levels which are classified as brackets.
 2. Based on tax bracket, an individual pays a marginal tax rate which is based on the bracket.
(NOTE: The bracket is expressed as a percentage which is subtracted from a person's income.)
 3. A taxpayer determines average tax rates by dividing tax owed by income earned.
(EXAMPLE: A taxpayer who earns \$6,000 has a tax rate of \$700 and an average tax rate of 11.66%.)
 4. Tax rates are affected by the number of exemptions claimed and the deductions included in the calculations.
- E. Inflation can affect the taxes citizens pay by increasing the marginal tax rate. In reality, the dollar buys less and the individual is taxed more.
- F. Computing taxes involves:
1. Gross income: all money earned by the individual in a year from every source.
(NOTE: Gross income is reduced by deductions and exclusions (income exempt from calculating taxes.)
 2. Net income: the income which determines tax bracket.
(NOTE: If net income is reduced, taxes are lower.)
 - a. Income deductions include government sponsored retirement accounts (IRAs), charitable contributions, interest expenses, medical costs, educational expenses, among many others.
 - b. Exclusions include disability benefits, tax exempt bond income, accident/health insurance premiums paid by employer and so forth.
(NOTE: Deductions and exclusions change from year to year, consult the IRS for the latest information.)
- G. Individuals can also receive tax credits.
(NOTE: Income can be excluded from taxes when used to place a child in child care, when care is provided for a disabled individual, for a portion of political contributions and other items.)
- H. Tax forms to use

1. 1040 Long form: enables calculation of deductions.
(NOTE: Many taxpayers fear the complexity of the long form.)
 2. 1040A Short form: taxable income must be under a set amount and income must be from wages, salaries, interest, dividends, and tips.
(NOTE: This form cannot be used if there is income from sources other than those above, i.e., annuities, alimony, etc., or if calculations are complex.)
 3. 1040EZ: designed to be easier than the 1040A
(NOTE: Form can be used if income is less than \$50,000, if the taxpayer is single, earns little interest and no dividend income and claims no deductions or exemptions.)
- I. If taxes are not withheld from an individual's income or an insufficient amount is withheld, a tax penalty must be paid.
1. To avoid a penalty, pay an estimated tax
(NOTE: Estimated taxes can be paid quarterly or all at once. Payments must equal 80% of what is owed or a penalty will be charged.)
 2. Estimated taxes are particularly important for self-employed and retired persons.
- J. Tax records to maintain:
1. Copies of all back tax records
 2. Receipts related to tax deductions/exemptions
 3. Keep records for up to three years in case of audit
- K. To receive help with taxes:
1. Contact the local IRS office for publications that can be of assistance.
 2. Free help is available for those over 60.
 3. Many agencies and individuals offer tax services.
(NOTE: It is important that whomever is chosen will still be available should there be an audit.)
- L. Calculating taxes
1. Knowing how to deal with taxes can save people money.
 2. Several calculations are basic to determining what is owed.
- M. The tax audit

1. The Internal Revenue Service selects returns for more intensive evaluation.
(NOTE: Reasons for selection can include higher income, arithmetic errors, large deductions, incomplete forms.)
2. Types of audits include:
 - a. The correspondence audit: questions between the taxpayer and the IRS are handled by mail.
 - b. Office audit: taxpayer brings records regarding a specific concern to the IRS office.
(NOTE: If someone assisted in completing the return, it may be desirable to have him/her present at the audit.)
 - c. Field audit: conducted in the home, place of business or at attorney or accountant's office.
(NOTE: This type audit is inclusive of many details on the return.)
3. Taxpayers have the right to appeal an audit if they disagree with the IRS.
(NOTE: An appeal can involve meeting with an IRS supervisor, an appeals conference or going to court.)

N. Tax planning is a year-round activity that, if carried out effectively, can reduce the individual's taxes.

V. Relate taxes to public services.

[Objective 7; TM 4; JS 4, 5]

- A. Taxes are collected to maintain the law-and-order of the government.
- B. The United States tries to meet numerous conflicting objectives through its taxation policies.
- C. Numerous public service functions have also been added to government responsibilities.
(NOTE: A large portion of the federal budget is directed at transferring income from one group of people to another, i.e., Social Security and family service programs are examples.)
- D. Americans pay fewer taxes than citizens of some other countries.
- E. The U.S. tax system depends upon progressive taxes, i.e., more taxes are leveled against high income than low income wage earners.

- F. State and local tax systems tend to be regressive, i.e., lower-income wage earners pay a higher proportion of taxes.
- G. Tax regulations are in a continuous process of change.
(NOTE: Consumers must be ready to make adjustments in their tax record keeping strategies every time tax laws are changed.)
- H. Taxes are used to provide a wide range of services.
 - 1. Federal taxes are used for:
 - a. Highways
 - b. National parks
 - c. Education
 - d. Public health and welfare services
 - e. Research in agriculture and medicine
 - f. National defense
 - 2. State taxes are used for:
 - a. Highways
 - b. Recreation areas
 - c. Schools
 - d. Hospitals
 - e. Public assistance
 - f. Welfare services
 - 3. Local taxes are used for:
 - a. Police and fire protection
 - b. Schools
 - c. Community colleges
 - d. Streets
 - e. Sidewalks
 - f. Libraries
 - g. Parks and recreational facilities
 - h. Water systems
 - i. Sewer systems

VI. Analyze use and abuse of public services.

[Objective 8; JS 4, 5]

- A. Most people agree that government is necessary to provide society with organization and stability.
- B. Government provides citizens with goods and services such as public transportation, public schools, fire protection, national defense, social security, and many other services.
- C. Government provides these services because the private sector finds these activities unprofitable.

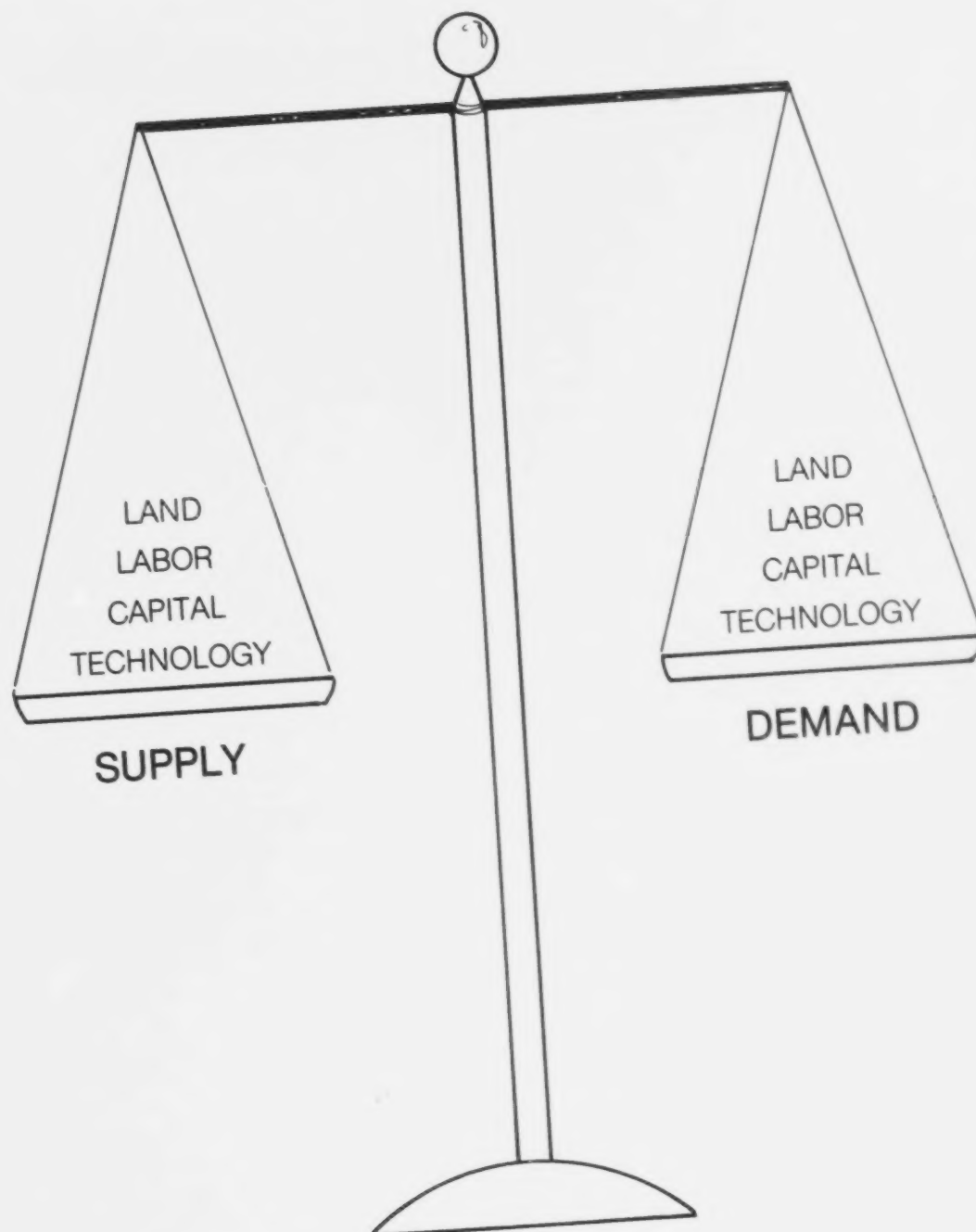
(NOTE: Many would not pay for these services unless taxed, yet all of us benefit from national defense, public education and other social services.)

- D. Tax policies are used to alter public behavior
(NOTE: For example, if the government wants to encourage consumers to save gas, the government may tax excessive use.)
- E. Individual taxpayers tend to act in their own best interest versus those of society.
- F. When taxpayers band together into special interest groups, they can have a dramatic affect on public policy.
(NOTE: Such groups help to pass legislation that benefits them and frequently no others.)
- G. Government services have grown to be a large part of the federal budget.
 - 1. A great deal of discussion continues to occur as to the size of this budget category.
 - 2. Many individuals feel that social programs are simply easy money for some groups who are too lazy to work.
 - 3. Reasons for growth include:
 - a. With the growth of big business, it is important to have government involved to assess the effects of business decisions.
 - b. Public desire to prevent a depression
 - c. To analyze the effects of technology on us all
 - d. To maintain order under crowded living conditions
 - e. The need to assess how all parts of the economy affect one another
(NOTE: Government strives to maintain a stable economy.)
 - f. The public desire to provide for individuals in need
(NOTE: Growth in this area makes up a major portion of the federal budget.)
- H. Our welfare system provides something for everyone, such as:
 - 1. Public services: parks, public education, health services, public housing, and employment information
 - 2. Support of human capital: health services, job training, educational services
 - 3. Transfer payments: Social Security family welfare services

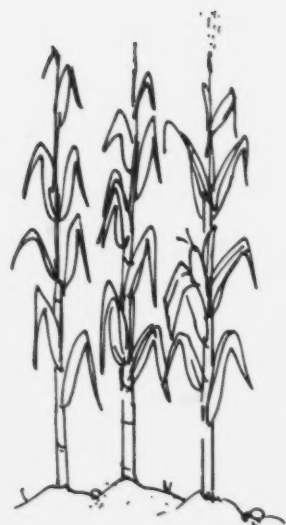
4. Rehabilitation: counseling services, job support
(NOTE: Government welfare programs provide loans, and health services to improve living conditions for those in need and assist businesses in improving production; thus, all of us ultimately benefit from these services.)
- I. Today's welfare system tries to provide all individuals with the opportunity to achieve what they want from American society.
 - J. Public service programs have experienced some difficulties.
 1. Programs have been accused of widespread fraud or deception.
 - a. Program administrators have been accused of carelessness and mismanagement.
 - b. Workers in the system function with high case loads and a great deal of paperwork which is difficult to manage.
 - c. People who provide services to welfare clients have been accused of overcharging.
 2. Many in our society accuse those who receive public funds and services of laziness or trying to have a "free ride" on the money provided by those who work.
(NOTE: There is a tendency to blame the victim who must use public services as being at fault. Studies reveal that those who must accept public support are frequently victims of social change and the complexity of our society. In pre-Colonial times, blaming the victim of public support was unknown. Society was based on groups sharing--individuals who faced hard times were given what they needed to get back on their feet.)
 - K. Who receives public support?
 1. Children are the largest group receiving public support.
 2. More of those in need tend to be white
(NOTE: Because there are more whites than blacks in society, they make up a larger group of the poor, but blacks are more likely to experience poverty.)
 3. More households headed by females need public service support.
 4. Many of the poor are jobless, homeless and suffer some mental/emotional disability.
 - L. Quality of public services

1. It is difficult to know if public service programs are really working.
2. Evaluation and research are hard to carry out with the many different kinds of services available.
3. The government sets standards of quality for public services and the state and local governments investigate concerns and programs to see that they are administered correctly.
4. No clear evidence exists that fraud or cheating occurs on a widespread basis.
(NOTE: The public is more likely to hear about the unusual, rather than the normal welfare case.)

Economic Resources

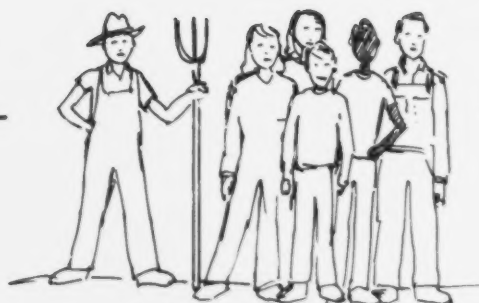


Production Factors That Make Our Economy Work



NATURAL RESOURCE

+



LABOR

+



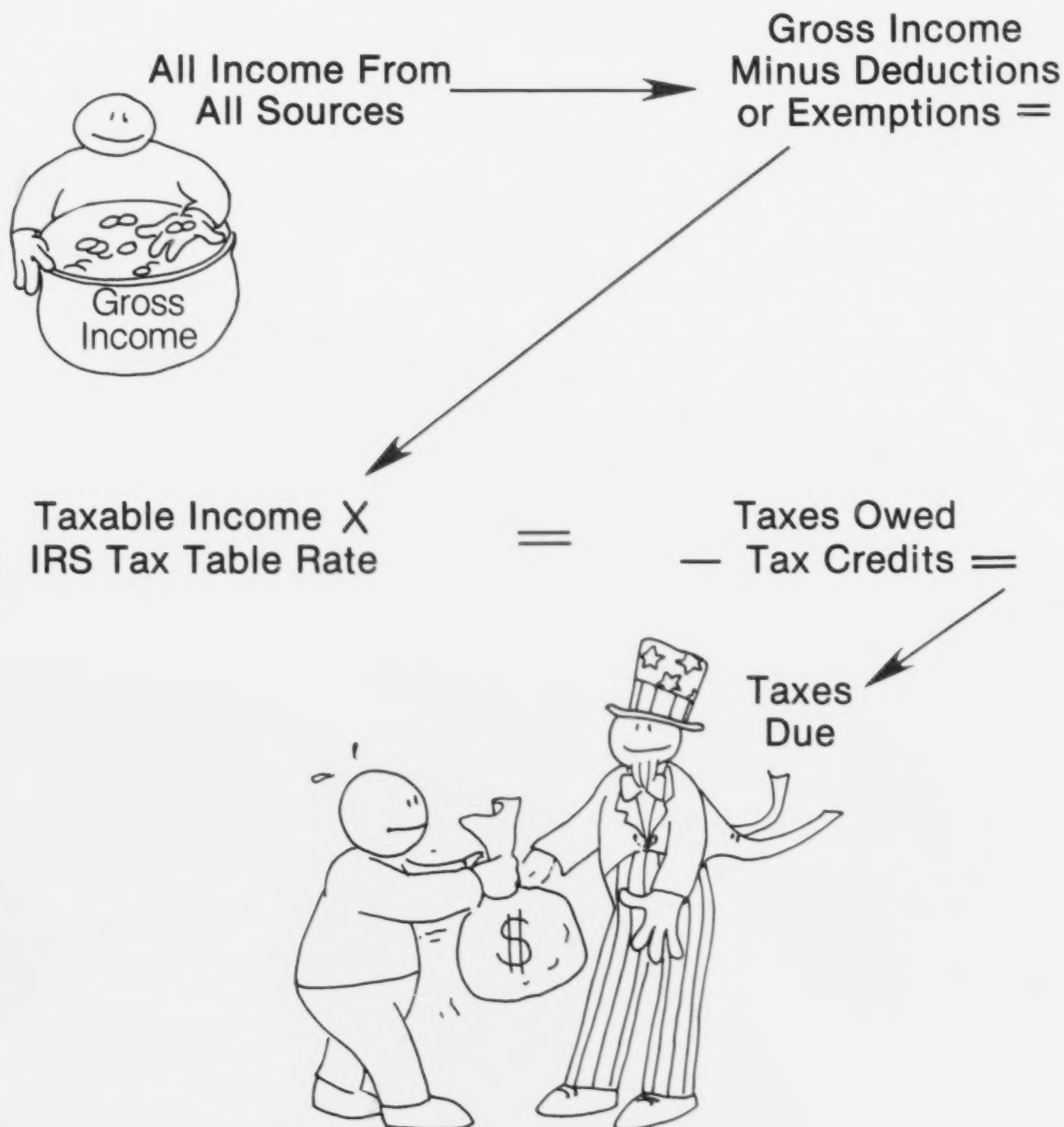
CAPITAL

=



PRODUCT

Basic Tax Calculations



(Note: Diagram reflects a simplified process. Taxpayer is responsible for keeping complex records to back up taxes paid.)

The Three R's of Taxation

Public Services

- Parks
- Public Education
- Health Services
- Public Housing
- Employment Information

Support of Human Capital

- Health Services
- Job Training
- Educational Services

Transfer Payments

- Social Security
- Family Welfare Services

Rehabilitation

- Counseling Services
- Job Support

REDISTRIBUTION

691

TM 4



REGULATION

690

REVENUE



801

Name: _____
Point Value: _____
Points Earned: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

ASSIGNMENT SHEET 1--DEFINE AND USE ECONOMICS TERMS

Directions: Use economic terms and concepts presented in the Information Sheet to answer the following questions.

1. Define each of the following terms:

capitalism _____

deficit _____

ethics _____

inflation _____

microeconomics _____

2. Complete each of the following statements by writing the missing word(s) in the spaces provided.

a. When we choose one item over another, we experience

_____.

b. The economic structure we live in is called

_____.

c. In the economic structure indicated above, we need

_____ to obtain goods and services.

- d. When sellers go together to determine prices and market shares, they are called a _____.
- e. When we have a budget deficit, the government attracts _____ and _____ which could otherwise be working for private industry.
- f. The flow of money into and out of a country is called _____.

Name: _____

Point Value: _____

Points Earned: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

ASSIGNMENT SHEET 2--DEFINE THE GROSS NATIONAL PRODUCT

Directions: Below is a list of statements about the Gross National Product. Place a check beside item(s) that explain what the GNP tells us.

- _____ 1. The GNP tells us whether our goods and services are of high quality.
- _____ 2. The size of the GNP tells us whether our economy is working effectively or not.
- _____ 3. The GNP tells us the value of our goods and services for one year.
- _____ 4. The GNP gives us information on paid and unpaid goods and services.
- _____ 5. The GNP gives us an indication as to the quality of our environment.

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

ANSWERS TO ASSIGNMENT SHEETS

ASSIGNMENT SHEET 1

1. Capitalism--an economic system based upon private ownership and decisions rather than state control.

Deficit--the difference between the amount of money spent by the budget sector of government and the amount it has taken in, so that money must be borrowed to make up the difference.

Ethics--a system of principles or moral values.

Inflation--the weighted average price rise of all goods and services per year. (Increased prices or decreased money value result when a large amount of money is available for too few goods and services.)

Microeconomics--the distribution of goods, services, and resources, and their effects on households and markets.

2.
 - a. opportunity costs
 - b. capitalism
 - c. money
 - d. cartel
 - e. money, labor
 - f. balance of payments

ASSIGNMENT SHEET 2

Item #3 should be checked.

Name: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

JOB SHEET 1--DETERMINE OPPORTUNITY COSTS

I. Materials:

Enlarged city and/or county maps of your area
Tissue paper

II. Procedures:

- A. Divide class into small groups choosing a chairperson and secretary.
- B. Review city and/or county maps to determine geographic locations of buildings, industries, homes, parks, etc.
- C. Each group selects a particular portion of the city and/or county to analyze in greater depth.
 - * Blank out the area selected by each group on the map so each group is aware of other group responsibilities
- D. Each group visit the area selected and gather indepth information concerning the number of buildings in the area, types of businesses, recreation areas, types of dwellings, i.e., single family, multiple family or apartments.

(NOTE: Take special note of areas which may be declining and areas which are being built up.)
- E. Develop a tissue paper overlay of the location of all areas recorded in #4.
 1. Trace outline of map section you are working with onto tissue paper overly.
 2. Fill in information gathered in #4, such as number of homes, apartments, businesses for the section you worked with.
- F. Summarize your findings by recording the following points:
 1. Locations of families in your area
 2. Availability of parks and recreation to family
 3. Resources available in your selected area
 4. Evidence of change occurring in area selected,

i.e., tearing down buildings to be replaced by parking lots

*Record your responses below.

- G. Summarize your findings regarding opportunity costs by responding to the following for your group:
1. Were any areas underused in region you surveyed? List and describe.
 2. Were any areas overused in the region you surveyed? List and describe.
 3. List changes occurring in your region.
 4. Evaluate where opportunity costs may have been lost or gained as you look at your region as a whole. For example, were apartments being built beside noisy areas versus leaving the area vacant to absorb sound or were alternative areas being converted to parking lots? Each would have high opportunity cost because the area was not being used effectively.
- H. Present the findings of the group to the class.
- I. As a total class summarize when your community has experienced a high opportunity and a low opportunity cost.

Evaluation Criteria	Point Value	Points Earned
1. Selected portion of the city/county to evaluate		
2.. As a group, visited area to gather information on region		
3. Developed tissue paper overlay with complete and easy to understand information included in the region		
4. Summarized points about the region		
5. Analyzed the 4 points concerning opportunity cost		
6. Presented information to group		
7. Contributed to total group summary.		
Total Points		

Name: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

JOB SHEET 2--FILL OUT INCOME TAX EXEMPTIONS FORM

I. Materials:

Current income tax exemptions forms and instructions

II. Procedures:

- A. Review tax exemptions form and accompanying instruction page(s).
- B. With the assistance of your teacher, review any terminology with which you are unfamiliar.
- C. Complete tax exemptions form with the guidance of your teacher.
- D. Submit your work to the teacher for review and ask her/him to place a check beside each of the above items indicating that you completed each step in the process of preparing the tax exemptions form.

Evaluation Criteria	Point Value	Points Earned
1. Reviewed form and instructions		
2. Reviewed unfamiliar terminology with teacher		
3. Completed form neatly and legibly		
Total Points		

Name: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

JOB SHEET 3--PREPARE INCOME TAX RETURN

I. Materials:

Current tax forms and guides for completing forms
Record of all income and expenses

II. Procedures:

- A. Develop record of income and expenses for current year.
- B. Review current tax law changes and worksheet instructions for current tax year.
- C. With the assistance of your teacher, review any terminology with which you are unfamiliar.
- D. Complete tax forms with the guidance of your teacher.
- E. Submit your work to the teacher for review and ask her/him to place a check beside each of the above items indicating that you completed each step in the tax preparation process.

Evaluation Criteria	Point Value	Points Earned
1. Developed record of income and expenses		
2. Reviewed form and instructions		
3. Reviewed unfamiliar terminology with teacher		
4. completed form neatly and legibly		
Total Points		

Name: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

JOB SHEET 4--IDENTIFY FEDERAL, STATE AND LOCAL RESOURCES
AVAILABLE IN YOUR COMMUNITY

I. Materials:

Telephone book

II. Procedures:

Several federal, state, and local agencies are available to provide assistance in your community.

A. Make a list of five (or more) community resources you feel could be of most help.

B. Find these agencies in the telephone book and write down the address and telephone number of each agency.

1. Agency _____
Address _____ Telephone _____
2. Agency _____
Address _____ Telephone _____
3. Agency _____
Address _____ Telephone _____
4. Agency _____
Address _____ Telephone _____
5. Agency _____
Address _____ Telephone _____

Evaluation Criteria	Point Value	Points Earned
1. Listed at least five agencies		
2. Listed address for each agency		
3. Listed telephone number for each agency		
4. Completed assignment neatly and legibly		
Total Points		

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Name: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

JOB SHEET 5--INTERPRET PUBLIC SERVICE CONCERNS

I. Materials:

Library and other resources

II. Procedures:

A. Develop and conduct a survey on public services in your community.

1. As a class, develop a survey form to gather information about how members of your community feel about their public services. Include such questions as:

- a. Do you feel that taxpayer dollars are used effectively for community public service, such as parks, employment services?
_____Yes _____No

- b. Do you feel that large numbers of people are receiving public funds who should not be?
_____Yes _____No

- c. What changes would you like to see made in public services? _____

- d. Do you feel our community has any environmental problems? _____Yes _____No

2. Develop a survey form of at least 15 to 20 questions related to public service and then prepare copies for class members' use.

3. Divide into small groups and select sections of your community to survey.

4. Gather the information, tabulate it, and summarize your findings as a group.

B. Research important issues raised in the survey.

1. In your small group, select one or more questions to gather more information about.

2. As a group, gather information on the topic(s) selected by consulting your local library, community authorities, and other resources to which you have access.
- C. Write and present a newspaper article about public services.
1. Review the information gathered by the group, and compare it to the community responses you received.
 2. In your small groups, write a brief newspaper article telling the results of the survey question you studied and what authorities say about the topic.
 3. In your newspaper article, discuss whether community members are misinformed or have brought up valid concerns.
 4. Present your articles to the class. Be sure to bring out survey information and compare community responses with authoritative opinions.
 5. As a class, contact the school or community newspaper and seek permission to print the best articles produced by the class.

Evaluation Criteria	Point Value	Points Earned
1. Participated in survey development		
2. Helped to gather survey information		
3. Gathered information about one or more survey responses		
4. Prepared newspaper article which included:		
a. Survey results		
b. A comparison of authoritative opinion with community members' responses		
5. Presented article to class or participated in discussion of the article		

Evaluation Criteria	Point Value	Points Earned
6. Assisted in contacting school or community paper and followed procedure for getting an article into print		
7. Used correct grammar, spelling, and punctuation in preparing the article		
	Total Points	

Name: _____
Point Value: _____
Points Earned: _____

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

UNIT TEST

Part One: Matching Terms

Directions: Match each of the terms listed below with the best definition by writing the letter in the space provided. Each term is used only once.

- | | |
|----------------------|-------------------|
| a. inflation | f. market economy |
| b. deflation | g. ethics |
| c. economic system | h. capitalism |
| d. deficit | i. microeconomics |
| e. transfer payments | j. macroeconomics |

- _____ 1. The distribution of goods, services, and resources, and their effect on households and markets.
- _____ 2. A system of principles or moral values.
- _____ 3. The weighted average price rise of all goods and services per year.
- _____ 4. The difference between the amount of money spent by the budget sector of government and the amount it has taken in, so that money must be borrowed to make up the difference.
- _____ 5. The study of all the elements involved in the economy or with the relationships of large structures in the economy.
- _____ 6. A reduced money supply, which is usually accompanied by lower prices.
- _____ 7. A system of supply and demand for goods and services.
- _____ 8. Income is collected from one population group for distribution to another population group.
- _____ 9. An economic system based upon your private ownership and decisions rather than state control.
- _____ 10. A decision-making process which involves the laws, motivations, and interactions of goods and services.

Part Two: Multiple Choice

Directions: For each of the questions below, choose the one best answer by circling the letter of the correct statement.

11. When consumers select one option over another they experience:
 - a. Scarce resources
 - b. Increased productivity
 - c. Opportunity costs
 - d. Market dependency
 - e. Supply and demand
12. The government determines how well our economy is doing each year by measuring:
 - a. The Gramm-Rudman-Hollings effect
 - b. The movement of interest rates
 - c. The federal deficit
 - d. Personal income tax revenues
 - e. The Gross National Product
13. The purpose of tax exemption forms is to:
 - a. Tell the federal government how much tax an individual should pay
 - b. Tell the state government how much tax an individual should pay
 - c. Tell an employer how much tax to take out of an individual's pay
 - d. Determine level of child support payments
 - e. Assist government officials in obtaining census data
14. A dependent is an individual who:
 - a. Receives at least half his/her support from another person (claimant)
 - b. A relative of a claimant
 - c. A child
 - d. An elderly person
 - e. A married person
15. When the IRS selects a tax return for more intensive evaluation, it is:
 - a. A correspondence audit
 - b. An office audit
 - c. A field audit
 - d. Any of the above
 - e. None of the above

16. What is the major individuals and families end up on public assistance?

- a. Social change
- b. Complexity of society
- c. Technology
- d. A and b above
- e. B and c above

Part Three: Short Answer

Directions: Write your answer to each of the following questions.

17. List three indicators that the economy is operating effectively.

- a. _____
- b. _____
- c. _____

18. Explain why the government collects taxes.

19. Explain the difference between progressive and regressive taxes and identify which level of government uses each type.

- a. _____

- b. _____

20. State the difference between gross income and net income.

21. Identify two types of tax records you should keep.
- a. _____
- b. _____
22. State two reasons why government services have grown over the years.
- a. _____
- _____
- b. _____
- _____
23. List three groups that tend to receive more public assistance.
- a. _____
- b. _____
- c. _____
24. What is the Gross National Product?
- _____
- _____
- _____
- _____

(NOTE: If the following activities have not been accomplished prior to the test, ask your teacher if/when they should be completed.)

25. Define and use economics terms (Assignment Sheet 1).
26. Define Gross National Product (Assignment Sheet 2).
27. Determine opportunity costs (Job Sheet 1).
28. Fill out income tax exemptions form (Job Sheet 2).
29. Prepare income tax form (Job Sheet 3).
30. Identify federal, state, and local resources available in your community (Job Sheet 4).
31. Interpret public service concerns (Job Sheet 5).

RECOGNIZING THE CITIZEN'S ROLE IN OUR ECONOMY

UNIT XI

UNIT TEST

Part One

- | | |
|------|-------|
| 1. i | 6. b |
| 2. g | 7. f |
| 3. a | 8. e |
| 4. d | 9. h |
| 5. j | 10. c |

Part Two

- | | |
|-------|-------|
| 11. c | 14. a |
| 12. e | 15. d |
| 13. c | 16. d |

Part Three

17. Any three of the following:
Consumers are free to make the economic choices they wish.
Consumers obtain the maximum benefit of the efficient use of resources.
Income is fairly distributed among the population.
The population functions in a secure economic environment.
Inflation and deflation are in balance.
The standard of living continually improves.
All who want employment are employed.
18. Answer should include at least two of the following:
Maintain law and order
Keep the economy stable
Provide social services
Provide for defense
19. a. Progressive taxes are used at the federal level and are based on taking more taxes from higher income earners, fewer taxes from lower income earners.
b. State taxes are regressive--lower income earners pay a higher portion of taxes.
20. Gross income refers to all the income earned from all sources for an individual; net income refers to the income which determines an individual's tax bracket.
21. Copies of all back tax records
Receipts related to tax deductions/exemptions
22. Any two of the following:
With the growth of big business, it is important to have government involved to assess the effects of business decisions.
Public desire to prevent a depression

To analyze the effects of technology on us all
To maintain order under crowded living conditions
The need to assess how all parts of the economy affect one another (Government strives to maintain a stable economy.)
The public desire to provide for individuals in need

23. Any three of the following:

Children

More of those in need are white

Households headed by females

The jobless

Homeless people

Those with some mental/emotional disability

24. The total value of all goods and services produced by a nation during a year.

- 25-26. See Answers to Assignment Sheets.

- 27-31. Evaluated to the satisfaction of the teacher in accordance with criteria listed on the Job Sheets.